

OFFICE OF THE GOVERNOR  
**COMMONWEALTH OF MASSACHUSETTS**  
STATE HOUSE • BOSTON, MA 02133  
(617) 725-4000

**CHARLES D. BAKER**  
GOVERNOR

**KARYN E. POLITO**  
LIEUTENANT GOVERNOR

**ORDER SUSPENDING CERTAIN PROVISIONS  
OF THE OPEN MEETING LAW, G. L. c. 30A, § 20**

**WHEREAS**, on March 10, 2020, I, Charles D. Baker, Governor of the Commonwealth of Massachusetts, acting pursuant to the powers provided by Chapter 639 of the Acts of 1950 and Section 2A of Chapter 17 of the General Laws, declared that there now exists in the Commonwealth of Massachusetts a state of emergency due to the outbreak of the 2019 novel Coronavirus ("COVID-19"); and

**WHEREAS**, many important functions of State and Local Government are executed by "public bodies," as that term is defined in G. L. c. 30A, § 18, in meetings that are open to the public, consistent with the requirements of law and sound public policy and in order to ensure active public engagement with, contribution to, and oversight of the functions of government; and

**WHEREAS**, both the Federal Centers for Disease Control and Prevention ("CDC") and the Massachusetts Department of Public Health ("DPH") have advised residents to take extra measures to put distance between themselves and other people to further reduce the risk of being exposed to COVID-19. Additionally, the CDC and DPH have advised high-risk individuals, including people over the age of 60, anyone with underlying health conditions or a weakened immune system, and pregnant women, to avoid large gatherings.

**WHEREAS**, sections 7, 8, and 8A of Chapter 639 of the Acts of 1950 authorize the Governor, during the effective period of a declared emergency, to exercise authority over public assemblages as necessary to protect the health and safety of persons; and

**WHEREAS**, low-cost telephone, social media, and other internet-based technologies are currently available that will permit the convening of a public body through virtual means and allow real-time public access to the activities of the public body; and

**WHEREAS** section 20 of chapter 30A and implementing regulations issued by the Attorney General currently authorize remote participation by members of a public body, subject to certain limitations;

**NOW THEREFORE**, I hereby order the following:

(1) A public body, as defined in section 18 of chapter 30A of the General Laws, is hereby relieved from the requirement of section 20 of chapter 30A that it conduct its meetings in a public place that is open and physically accessible to the public, provided that the public body makes provision to ensure public access to the deliberations of the public body for interested members of the public through adequate, alternative means.

Adequate, alternative means of public access shall mean measures that provide transparency and permit timely and effective public access to the deliberations of the public body. Such means may include, without limitation, providing public access through telephone, internet, or satellite enabled audio or video conferencing or any other technology that enables the public to clearly follow the proceedings of the public body while those activities are occurring. Where allowance for active, real-time participation by members of the public is a specific requirement of a general or special law or regulation, or a local ordinance or by-law, pursuant to which the proceeding is conducted, any alternative means of public access must provide for such participation.

A municipal public body that for reasons of economic hardship and despite best efforts is unable to provide alternative means of public access that will enable the public to follow the proceedings of the municipal public body as those activities are occurring in real time may instead post on its municipal website a full and complete transcript, recording, or other comprehensive record of the proceedings as soon as practicable upon conclusion of the proceedings. This paragraph shall not apply to proceedings that are conducted pursuant to a general or special law or regulation, or a local ordinance or by-law, that requires allowance for active participation by members of the public.

A public body must offer its selected alternative means of access to its proceedings without subscription, toll, or similar charge to the public.

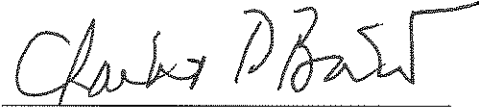
(2) Public bodies are hereby authorized to allow remote participation by all members in any meeting of the public body. The requirement that a quorum of the body and the chair be physically present at a specified meeting location, as provided in G. L. c. 30A, § 20(d) and in 940 CMR 29.10(4)(b), is hereby suspended.

(3) A public body that elects to conduct its proceedings under the relief provided in sections (1) or (2) above shall ensure that any party entitled or required to appear before it shall be able to do so through remote means, as if the party were a member of the public body and participating remotely as provided in section (2).

(4) All other provisions of sections 18 to 25 of chapter 30A and the Attorney General's implementing regulations shall otherwise remain unchanged and fully applicable to the activities of public bodies.

This Order is effective immediately and shall remain in effect until rescinded or until the State of Emergency is terminated, whichever happens first.

Given in Boston at 6:40 PM this 12th day of  
March, two thousand and twenty.

A handwritten signature in dark ink, appearing to read "Charles D. Baker". The signature is written in a cursive style with a large, sweeping "C" and a distinct "B".

CHARLES D. BAKER  
GOVERNOR  
Commonwealth of Massachusetts



## **Town of Arlington Notice of Meeting**

In accordance with the provisions of Massachusetts General Laws,  
Chapter 39, Section 23B, notice is hereby given of a meeting of the:

### **Finance Committee**

Wednesday, February 24, 2021

7:30 p.m. – 10 p.m.

Conducted by Remote Participation - Zoom Meeting

#### **AGENDA ITEMS:**

- Virtual Open Meeting protocol and roll call
- Chair's comments
- Call for budgets
- Minutes for approval
- Minuteman Budget Presentation
- Additional budgets
- New business
- Adjourn

Charlie Foscett is inviting you to a scheduled Zoom meeting.

**Topic:** Finance Committee Meeting

**Time:** February 24, 2021 07:30 PM Eastern Time (US and Canada)

Register in advance for this meeting:

<https://town-arlington-ma-us.zoom.us/join/tJwofumgpzItG9eKIPf-kigDj22eZfQ5YxNI>

After registering, you will receive a confirmation email containing information about joining the meeting

Members of the public are asked to send written comments to [ediggins@town.arlington.ma.us](mailto:ediggins@town.arlington.ma.us)

Documents regarding agenda items will be made available via the Town's website.

<https://www.mass.gov/doc/open-meeting-law-order-march-12-2020/download>

By Charlie Foscett, Chairman Finance Committee

# Arlington Finance Committee



Meeting February 24, 2021

# Detailed Agenda

1. 7:30 PM Virtual Open Meeting protocol and roll call
2. 7:35 PM Chair's Comments:
  1. Call for budgets – use Calendar if possible
3. 7:40 PM Minutes for approval
  1. Feb 22
4. 7:45 Minuteman Budget- A. LaCourt, Dr. E. Bouquillon
5. 8:20 Long Range Plan Discussion – G. Kocur
6. 9:00 Budget Reviews
7. 9:40 Old Business:
  1. Issues tabled awaiting vote
8. 9:50 New Business
9. 10:00 Adjourn

**February 24, 2021**

Edward A Bouquillon PhD  
Superintendent-Director

Arlington Finn Comm  
20210222



# **MINUTEMAN REGIONAL FY22 BUDGET**

## **"PREPARING FOR REALITY"**

A REVOLUTION IN LEARNING

# FY22 BUDGET SUMMARY

Operating Budget = **\$20,731,416**  
2.4% above FY21

Operating Capital/Debt = **\$1,134,679**  
68% above FY21

MSBA Project Debt = **\$5,774,493**  
26.3% above FY21



# FY22 Revenue Assumptions

Revenue Source	FY21	FY22	Difference
Est. Ch 70 Aid	\$2,095,633	\$1,986,977	-\$108,656
Regional Transportation Aid	\$997,179	\$776,382	-\$200,797
Prior Year Tuition	\$3,048,695	\$2,695,837	-\$352,858
Current Year Tuition	\$600,000	\$1,080,000	\$480,000
Current Year Capital Fee	\$904,023	\$508,033	-\$395,990
Prior Year Capital Fee	0	\$591,967	\$591,967
Certified E&D	\$540,000	\$540,000	0
NON-Assessment Total	\$8,165,530	\$8,179,196	\$13,666
Req'd Member Assessments	\$17,337,416	\$19,461,392	\$2,123,976

# FY22 BUDGET: ASSUMPTIONS

- COVID with us for Fall 2021
  - Hybrid Model & Remote Learning continues
  - Safety and Health measures continue
- Reduced or UNKNOWN State & Federal Aid
- Final MSBA project Bond secured
- Student Interest in CTE continues
  - Enrollment is beyond approved design capacity
  - Develop cost-effective plans to increase capacity

# ADMISSIONS AND ENROLLMENT #1

	YOG 2021	YOG 2022	YOG 2023	YOG 2024	YOG 2025
Total Applications	235	168	272	390	351*
In District Apps	134	147	225	252	261*
Out of District Apps (Eligible)	101	21	47	94	48*
Out of District Apps (NOT Eligible)	40	49	38	44	42*
In District Waitlist	NA	NA		7	40*
Out District Waitlist	NA	NA		54	90*
Oct 1 Enrollment	145	122	195	179	200 (max)

\*As of February 22, 2021

# BUDGET PRIORITIES

- Protect Student and Staff Health
- Increase Enrollment Capacity
- Deliver High Quality CVTE
  - Animal Science/Vet Assisting Program
  - Logistics Engineering Expansion
- Close out MSBA Project
- Athletic Fields Construction Management
- Ramp Up Facilities Rental & Revenue

# FY22 OPERATING BUDGET DRIVERS

Salary COLA increase \$313,629  
(2.25% year 2 of 3-year agreement)

Electrical and Heat utility increase \$263,000

Maintenance Contracts & Field Op increase \$76,386

Property Insurance increase \$44,744

Health Insurance decrease of \$181,781  
(-7% due to net FTE reduction)

Transportation decreases \$44,785  
(-3% under the FY21 budgeted amount)

# Arlington: FY22 Preliminary Assessment

**Full Assessment: \$ 6,795,456**

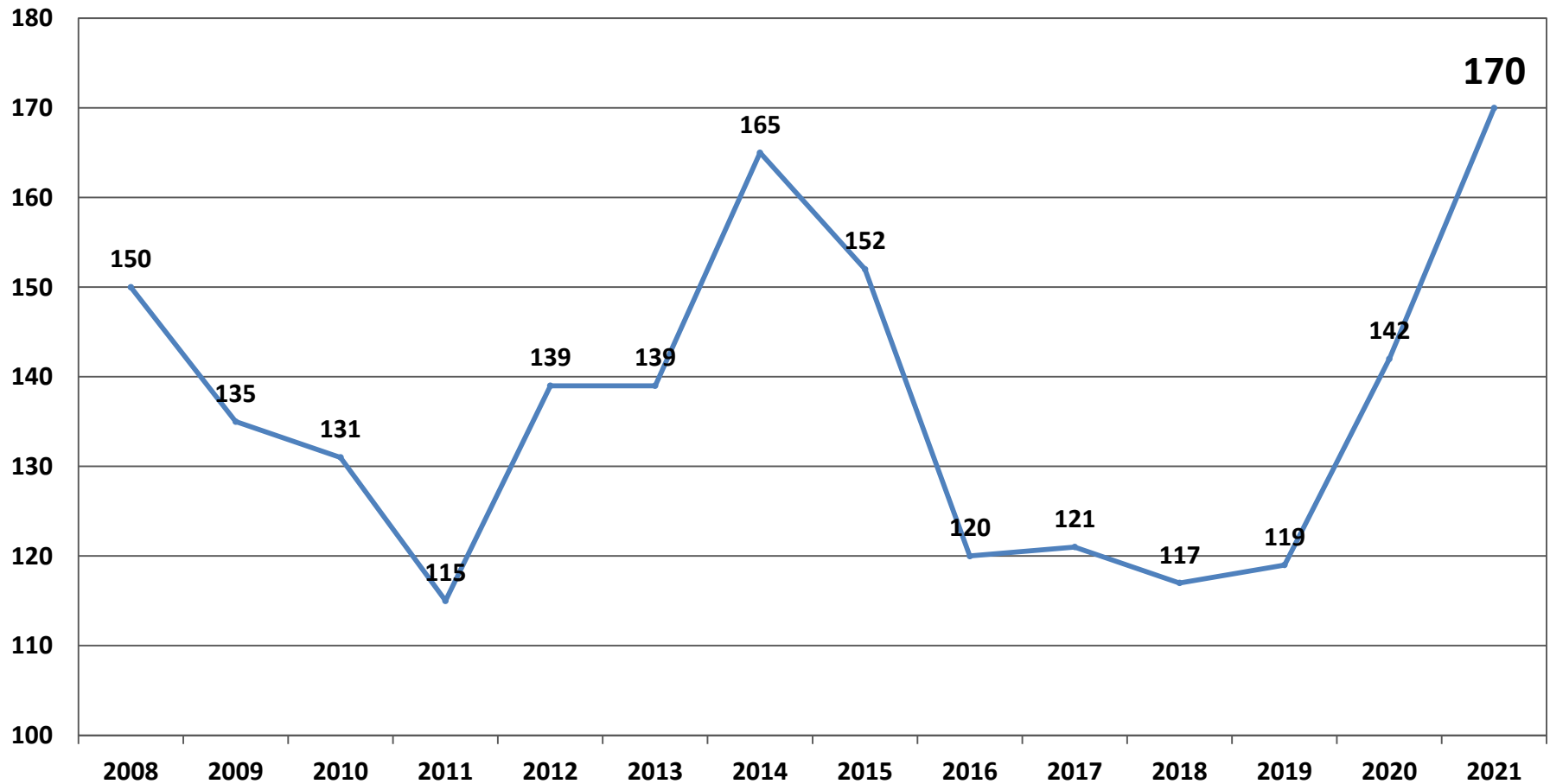
**Increase: \$ 682,085**

# Arlington: Preliminary Assessment

Minimum Required Contribution	\$ 2,419,638
Transportation Assessment	\$ 251,489
Operating Assessment	\$ 2,146,862
Debt & Capital Assessment	<u>\$ 366,502</u>
Sub-Total	\$ 5,184,491
Building Project – Debt Service*	<u>\$ 1,610,965</u>
Total Assessment	<u><u>\$ 6,795,456</u></u>

***\*Debt service excluded from Prop 2 ½ limitation***

# Arlington Historical October 1<sup>st</sup> Enrollment





# SPECIAL EDUCATION ENROLLMENT

Percentage of Special Education Enrollment										
Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Enrollment	616	648	711	675	665	624	538	515	602	634
Sp.Ed. Enrollment	287	304	341	344	306	287	281	273	305	290
Sp.Ed. %	47%	47%	48%	51%	46%	46%	52%	53%	51%	46%

# Special Education Expenditures Minuteman & Regional Vocational Schools

- **Special Education Costs as a % of FY19 Budget\***

– Minuteman Regional	12.4%
– Keefe Tech	12.0%
– Assabet Valley	9.0%
– Shawsheen Valley	7.0%
– Nashoba Valley	7.0%
– Blue Hills Regional	5.0%

\*Most recent data posted on DESE Website



**MINUTEMAN**  
A REVOLUTION IN LEARNING

# CAPITAL BUDGET FY22

A REVOLUTION IN LEARNING

# CAPITAL DEBT INCREASES

- Athletic Fields/ESCO/Renovations:  
\$179,542 payment on \$1.9 Million for Athletic Fields Lighting and track, fencing & equipment
- School Building Project – Additional Debt:  
\$324,930 for bonding of \$3.8 Million for final MSBA construction close out.
- Capital Stabilization Fund: \$260,000

# FY22 OPERATING AND CAPITAL

	FY21	FY22	Difference	% Change
<b>Operating Budget</b>	20,255,561	20,731,416	475,855	2.35%
<b>Capital Equipment/Leases/ Athletic Fields (1)</b>	675,453	1,134,679	459,266	67.99%
<b>Building Project - Debt Service (2)</b>	4,571,932	5,774,493	1,202,561	26.30%
<b>Total Operating &amp; Capital Budget</b>	25,502,946	27,640,588	2,137,642	8.38%

- (1) Athletic Field 10-year bond included in Capital Equipment/Leases/Athletic Fields
- (2) A debt exclusion override was voted on this debt in the following towns: Acton, Arlington, Bolton, Concord, Dover, Lancaster, and Stow.

# Athletic Fields & Lighting

- **Timeline**

- Site & Base work Winter 2021
- Construction Spring/Summer 2021
- Substantial Completion October 2021

- **Sustainability**

- \$168,000 annual supplemental allocation to stabilization fund from field rental revolving account (for 10-year synthetic turf replacement cycle)

# 2021 Photo Voltaic Roof Installation

- **Secures LEED Reimbursement \$2M**
- **Timeline (2021)**
  - Contract Approval January
  - Town Permitting February
  - Mobilization May
  - Construction June - Sept
  - Commercial Operation October
- **Sustainability**
  - 20-year lease purchase with annual savings \$30K



# OPEB

A REVOLUTION IN LEARNING



# OPEB Liability

- Current OPEB liability as of June 30, 2020 (Estimated):\$32,473,201
- As of FY16, the district has appropriated \$50,000 annually to an OPEB Reserve Fund
- MM Finance Subcommittee increased FY21 and FY22 appropriation to \$60,000.
- MM Finance Committee long term strategy is to repurpose most, if not all, of the ESCO debt payments (retiring FY25) to OPEB @ \$400K/yr

# “Reserve” Fund Activity

- Capital Stabilization
  - Current Balance is \$1,282,629
  - Committed \$1,250,000 for Fields Project.
- OPEB Trust
  - Current balance is \$352,028
  - Appropriated \$50,000 per year first 5 years
  - Appropriated \$60,000 per year FY21 & FY22

# OVERALL BUDGET SUMMARY

FY22 Operating & Capital

**\$27,640,588**

8.4% above FY21

# FY22 BUDGET SUMMARY

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2.4% above FY21

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Total Assessment	<u><u>\$ 6,795,456</u></u>

***\*Debt service excluded from Prop 2 ½ limitation***



# QUESTIONS

[E.BOUQUILLON@MINUTEMAN.ORG](mailto:E.BOUQUILLON@MINUTEMAN.ORG)



# RELATED FINANCIAL BACKUP INFORMATION

# Operating Revenue:

## Per Pupil Non-member Tuition and Fees

• FY21 Tuition*	\$18,400
• FY21 SPED Increment*	\$ 7,400
• FY21 Capital Fee*	\$ 7,778
• Transportation (Avg)	<u>\$ 3,250</u>
	\$ 36,828

FY22 Non-member Estimated \$33,500 - \$37,000

\* Approved/Established by DESE



# FY22 Per Pupil Assessment

(based on Foundation Enrollment)

Community	Per pupil Assessment
Acton	\$26,680
Arlington	\$27,531
Bolton	\$26,989
Concord	\$28,940
Dover	\$27,196
Lancaster	\$28,913
Lexington	\$28, 599
Needham	\$29,366
Stow	\$26,281

# How Much the DISTRICT\* Spends Compared to Member District Schools

SCHOOL DISTRICT	REQUIRED NET SCHOOL SPENDING	Amount OVER NSS	NSS as % of FOUNDATION
Dover	\$4,468,986	\$6,321,955	241
Concord	\$18,805,577	\$19,147,061	202
Concord Carlisle	\$14,235,386	\$11,219,969	179
Dover Sherborn	\$11,728,359	\$7,752,306	179
Needham	\$54,000,177	\$36,906,601	168
Lexington	\$74,054,892	\$48,369,652	165
Minuteman RVTHS	\$7,113,011	\$2,242,670	148
Arlington	\$54,985,998	\$19,016,225	136
Acton Boxborough	\$56,905,169	\$19,715,458.34	135
Nashoba	\$31,376,870	\$8,531,315	128

\* Most Recent DESE School And District Profiles Data

# COVID IMPACTS ON FY21 OPERATING BUDGET

STAFF REDUCTIONS ACTIONED

INCREASED PPE COSTS

TRANSPORTATION ADAPTATIONS

REMOTE LEARNING ADAPTATIONS

- Increased device capabilities

- Remote access support

STUDENT SUPPORT ENHANCEMENTS

OTHER *REQUIRED* PROTOCOLS

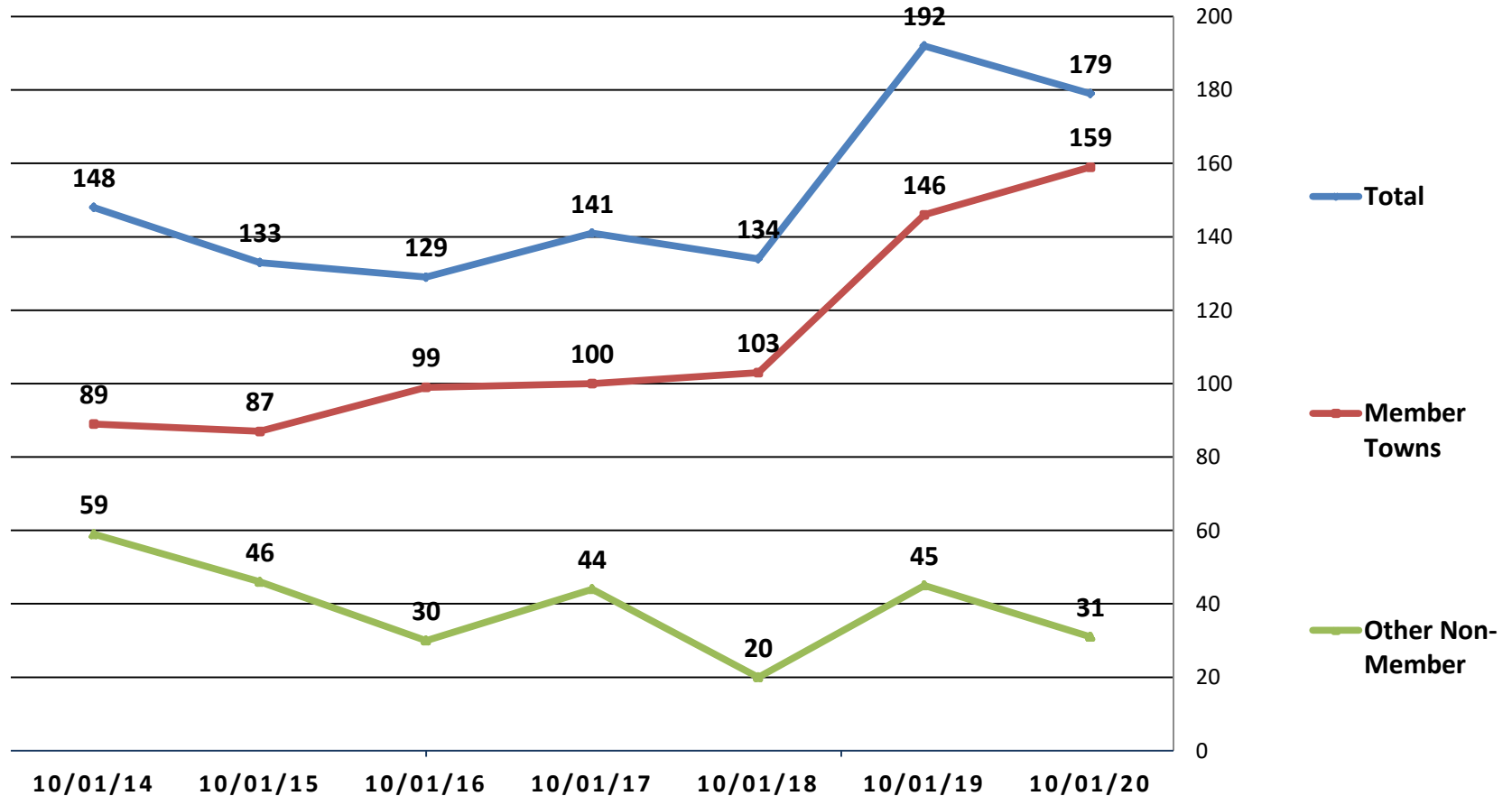
ELIMINATION OF COMMUNITY EDUCATION

ZERO FACILITIES/RENTAL INCOME

# ENROLLMENT ADMISSIONS PRIORITIES

- Sustain increased member enrollment
- Inform CTE perceptions in Member communities
- Increase video content of Alumni success stories.
- Increase digital content of current student success.
- Increase early Career Development outreach in Middle Schools through the World of Work (WOW) program. April 2021 program for 6th and 7th graders
- Implementation of Increased Capacity plan

# Freshmen Enrollment



# Arlington: FY22 Preliminary Assessment

**Full Assessment: \$ 6,795,456**

**Increase: \$ 682,085**



# **Fiscal Year 2022 Proposed Budget**

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Non-Discrimination. Minuteman Regional Vocational Technical School District does not discriminate on the basis of race, color, national origin, sex, disability, religion, sexual orientation, or gender identity in its programs or activities, including its admissions and employment practices. The School district does not tolerate harassment or discrimination. An individual has been designated to coordinate compliance under Title IX and Section 504 and may be contacted through the Superintendent's Office, 758 Marrett Road, Lexington MA 02421, (781)861-6500, ext. 7360



## DISTRICT LEADERSHIP

SCHOOL COMMITTEE			
Acton	Pam Nourse, Chair	Lancaster	Jennifer Leone
Arlington	Michael Ruderman	Lexington	Judith Crocker
Bolton	David O'Connor	Needham	Jeffrey Stulin, Vice Chair
Concord	Steve Ledoux	Stow	Alice DeLuca, Secretary
Dover	Ford Spalding		
ADMINISTRATION LEADERSHIP TEAM		DEPARTMENT & CLUSTER LEADS	
Superintendent-Director	Edward Bouquillon Ph.D.	Engineering, Construction Trades Academy	Al St. George
Assistant Superintendent	Amy Perreault, Ed.D.	Engineering, Construction Trades Academy	Joe Joncas
Principal	George Clement	English	Greg Donovan
Assistant Principal	Brian Tildsley	Humanities	Connie Maynard
Assistant Principal for Admissions	Anthony Chiariello	Life Sciences & Services Academy	Sarah Ard
Director of Career & Technical Education	Kathleen Bouchard	Mathematics	John Fusco
Assist. Director of Career & Technical Education	Eugene DiPaolo	Science	Eric Marshall
Director of Communications	Daniel O'Brien	Life Sciences & Services Academy	Cynthia DeMaio
Director of Facilities	Richard Ikonen	Special Education	Ashley Pisapia
Director of Finance	Robert J. Gerardi Jr., Ph.D.	Guidance	Diane Dempsey
Director of Technology	Victor Woodroffe	Special Education	Michael Guarino
Executive Director, Minuteman Technical Institute	Nancy Houle, Ph.D		

# EXECUTIVE SUMMARY

## FY22 Budget – Overview

The Minuteman Regional Vocational Technical School District FY22 budget reflects new challenges post pandemic. Our budget theme is "Preparing for Reality". This FY22 budget funds the health and safety of students and staff, delivers high quality career and technical education (CTE), and seeks to invest in increasing student capacity in order to waiting lists and increase state reimbursements.

Debt Service: Seven of the nine-member towns supporting the construction project (Acton, Arlington, Bolton, Concord, Dover, Lancaster, and Stow) voted a Proposition 2 ½ debt exclusion override to fund their assessment share of the project. The other two member districts (Lexington and Needham) are funding debt through their general funds. The FY22 budget includes an estimated final construction borrowing of approximately \$3,800,000 as well as borrowing of approximately \$1,900,000 for lighting of the athletic fields. We have conservatively projected an interest rate of 1.75% for the final borrowing but are hopeful that the rate will be lower in the current financial environment.

Our district worked with the state to establish a per-student capital fee from non-member districts. We apply the revenue from the capital fees to offset debt assessments to our member towns. This will continue as long as we have non-member enrollment. In FY22 we will use “current year” fees collected in FY22, as well as “prior year” fees, collected and not expended in FY21 to reduce the capital costs to member towns.

The majority of the increase to the FY22 budget is the debt service increase of \$1,202,561 (a 26.30% increase over the previous year’s debt service). This debt service amount was predicted in 2016 as the MSBA project approval process moved forward.

Instructional Expenses: FY22 will include a 5.0 FTE net reduction in staff. Most of this reduction is in support staff and will not impact instruction. This budget incorporates the expansion of the 18 program majors currently, to 19 program majors in FY22. The additional major is Animal Science/Vet Assisting.

Robust technology upgrades for remote learning have been included in the FY22 budget. We continue to seek Coronavirus Relief Fund (CvRF ) grants to help supplement the increased needs in technology and will do so in future federal stimulus programs.

Our member district applications have continued to increase every year for the last four years. Member district applications have provided large freshmen classes the past two years. In September of 2020 we surpassed the design enrollment of 628 and welcomed a total of 634 students. We are on track to exceed 670 students in September 2021. In-district students and many out-of-district students were on waiting lists to attend Minuteman last spring. This will be the case again as applications are actually ahead of last year’s numbers. The district is exploring cost effective ways to increase student capacity in an effort to end waiting lists and provide all eligible students access to high quality career and technical education.

## EXECUTIVE SUMMARY

Facilities Expenses: Facilities management continues to require significant monitoring and assessment as we live in our new building. Due to the school closure and then a COVID hybrid school opening, we have not had a typical year of utility usage data to project expenses accurately. We have had significant increases in electricity and heat expenses in FY21 and are projecting those increases in the FY22 budget to be conservative. The new facility has a computer based management systems that will help us track and project utility usage once we have a “normal” year.

The administration is committed to pro-actively maintain this facility to exceed its design life of 50 years. This FY22 budget includes costs associated with maintenance contracts for new equipment and systems, as well as continuing to outsource our night time cleaning staff. FY22 represents the third year of this outsourced model. This outsourcing has provided excellent service and has reduced costs as projected in 2019. The savings have been somewhat less as cleaning requirements have increased during COVID.

The FY22 budget anticipates the completion of the athletic fields and supports equipment and training to manage synthetic turf fields satisfactorily .

Other Fiscal Matters: Transportation and health insurance are two areas where we will see decreases in our expenses. The FY21 transportation bid came in lower than budgeted. Health insurance expenses will decrease due to the 5.0 FTE reduction in staffing, as well as a combination of reduced claims and usage due to the pandemic. Minuteman is a member of the Mass Bay Health trust, which is projecting “reasonable” increases in rates.

The increase in the operating assessment is 2.4%.

The construction borrowing and borrowing for the athletic field lighting will increase the total operating and capital budget by 8.4%.

Total assessments to member towns will be an increase of 12.3%

# BUDGET PRINCIPLES AND PRIORITIES

## **FY22 Budget Principles**

This budget protects student and staff health, delivers high quality career and technical education (CTE) and seeks to increase student capacity to eliminate waiting lists and increase state reimbursements.

## **FY22 Budget Priorities**

Instructional delivery and professional development support our academy model.

Minuteman is organized around two (2) academies; Engineering, Construction and Trades Academy (11 Program Majors) and the Life Sciences and Services Academy (7 Program Majors). Once a student majors in 9th grade, they stay in their career major through grade 12. This promotes a more personalized and supportive learning environment and develops strong relationships between students, their peers and teachers.

Academies integrate the rigorous academic courses with relevant career and technical courses organized around a career theme. Traditional courses are combined with occupation-related classes that focus on the academy's career theme. Students take other elective classes outside the career academy structure.

Career academies establish partnerships with local employers to strengthen connections between school and work, and to provide students with a range of career development and work-based learning opportunities.

Academies are characterized by strong working relationships among teachers, business partners, students and parents. These core elements have been demonstrated to improve attendance, grade point average (GPA), college acceptance, job placement, and higher graduation rates.

9th Grade Math and English (180 Program): We will be entering our 12th year of a dedicated 9th grade counselor, and the delivery of daily English and Math classes to all freshmen. This has had a positive impact on student performance.

Reading Support: Minuteman will continue to offer rigorous college preparatory level academics to all students. Given the number of students requiring accommodations in their academic programs, we are continuing to provide reading support in academics and career and technical education programs.

Career and Technical Programs and Staffing: The Academies are characterized by strong working relationships among teachers, business partners, students and parents. The district has been successful over the last four years in obtaining equipment grants of over \$1.3M which helped launch the Advanced Manufacturing program and enhance programs such as Metal Fabrication & Welding.

Animal Science/Vet Assisting program will begin with Animal Science exploratory and freshmen year curriculum.

A recent capital grant of \$300,000 has equipped our warehouse space with state-of-the-art logistics and engineering equipment. We will also be adding an FTE to support the expansion of the Robotics/Automation program into logistics engineering.

## BUDGET PRINCIPLES AND PRIORITIES

**Special Education:** Minuteman has one of the highest percentage of students receiving Special Education services of any public high school in Massachusetts. Approximately 47% of the students at Minuteman are receiving services. The state average is about 18%. Our co-teaching model and small group support has helped our students improve MCAS results and post-graduation success.

Minuteman will continue to support the emotional health of all students through direct support, small group work, and classroom-based interventions and supports. Professional development for all staff has been provided around student's social and emotional health and wellbeing. The Student Learning Center is available to assist students with section 504 accommodation plans, and those students who have been identified and needing RTI (Response to Intervention) services. The Student Learning Center provides student time to receive support on their academics with special educators. Minuteman has relationships with community partners that are able to provide mental health support to our students and families.

**Admissions, Recruitment, Enrollment, and Retention:** The Admissions Office continues its effort to increase in-district and overall enrollment. 90% of the class of 2024 is member town students. Despite the pandemic, applications from member towns is at an all-time high. The Admissions Office has been responsive in coordinating information sessions, social media, print, and direct marketing, along with in-person events, which have been severely limited due to the pandemic. The Admissions Office is focusing on increasing enrollment in underrepresented member towns, while working to amplify the success stories of its alumni to change the narrative around CTE. Our message remains consistent, with the focus of attracting and retaining "the right student, in the right program, for the right reason."

**Instructional Technology:** The proposed budget continues to address the necessary components to support the use of technology. A goal of this budget is to advance the use of technology to enhance digital learning and support secure operations. Academic and career majors will use and access electronic resources. Minuteman uses Office 365 school-wide which embraces the cloud-based use of software and data storage.

**One-to-One Program:** With the assistance of our Digital Learning Curators, the district supports "mPOWER" as Minuteman High School's one-to-one program for all students. Students are assigned an individual laptop computer to be used throughout their enrollment at Minuteman.

**Senior Project and Portfolios:** All students at Minuteman will complete a senior project and portfolio prior to graduation. The senior project is a professional crafted presentation of student's technical knowledge and research skills. The presentation is given to their classmates, instructors, and experts from industry. Portfolios document 4 years of student's accomplishments at Minuteman highlighting their academic success, career training, extracurricular activities, and awards. These two projects prepare students with necessary skills to successfully enter the workforce.

**Schoolwide Safety & Security:** Our facility includes a state-of-the-art single point entry system. This office is staffed throughout the school year both during the school day and in the evenings. Each person who visits the campus must pass through our central door and be processed through our ID credentialing system. Costs associated with technology; training and staffing will increase this year, especially in a fully occupied post-Covid-19 building. Educational and professional development training for students and staff are also vital components to safety and security and come at an expense as well.

## HIGHLIGHTS

### CLASS OF 2020 ACHIEVEMENTS

•Class of 2020 - 54% college bound, 25% career bound, 2% military and 2% advanced technical training and 6% other.
•100% of the Early Education and Care students achieved the Mass. Department of EEC Certification in Pre-School and Infant Toddler and 100% American Red Cross Adult/Pediatric-First Aid/CPR/AED
•86% of Environmental Technology students received their OSHA 10, OSHA 40 HAZWOPER, and First Aid/CPR. 100% received Confined-Space Entry certifications
•100% of the Class of 2020 Biotechnology students were CPR/BLS and OSHA certified.
•38% of Welding students passed AWS D1.1 Certification test *
•33% of Culinary Arts/Hospitality students passed the ServSafe Food Handler Certification and the American Red Cross CPR Certification.*
•100% of Horticulture students pass OSHA Construction, Safety and Health and CPR.
•100% of Health Assisting students are certified in CPR/First Aid and OSHA 10 for Health care, 80% Pass for CNA Certification.
•100% Cosmetology test takers passed Sp2 Safety Certification
Rouaa Alwaz (Watertown), Valedictorian, is attending UMass Boston. Jack Ryan (Lexington), Salutatorian, is attending Stonehill College.

\*Percentages lower due to COVID-19 closure.

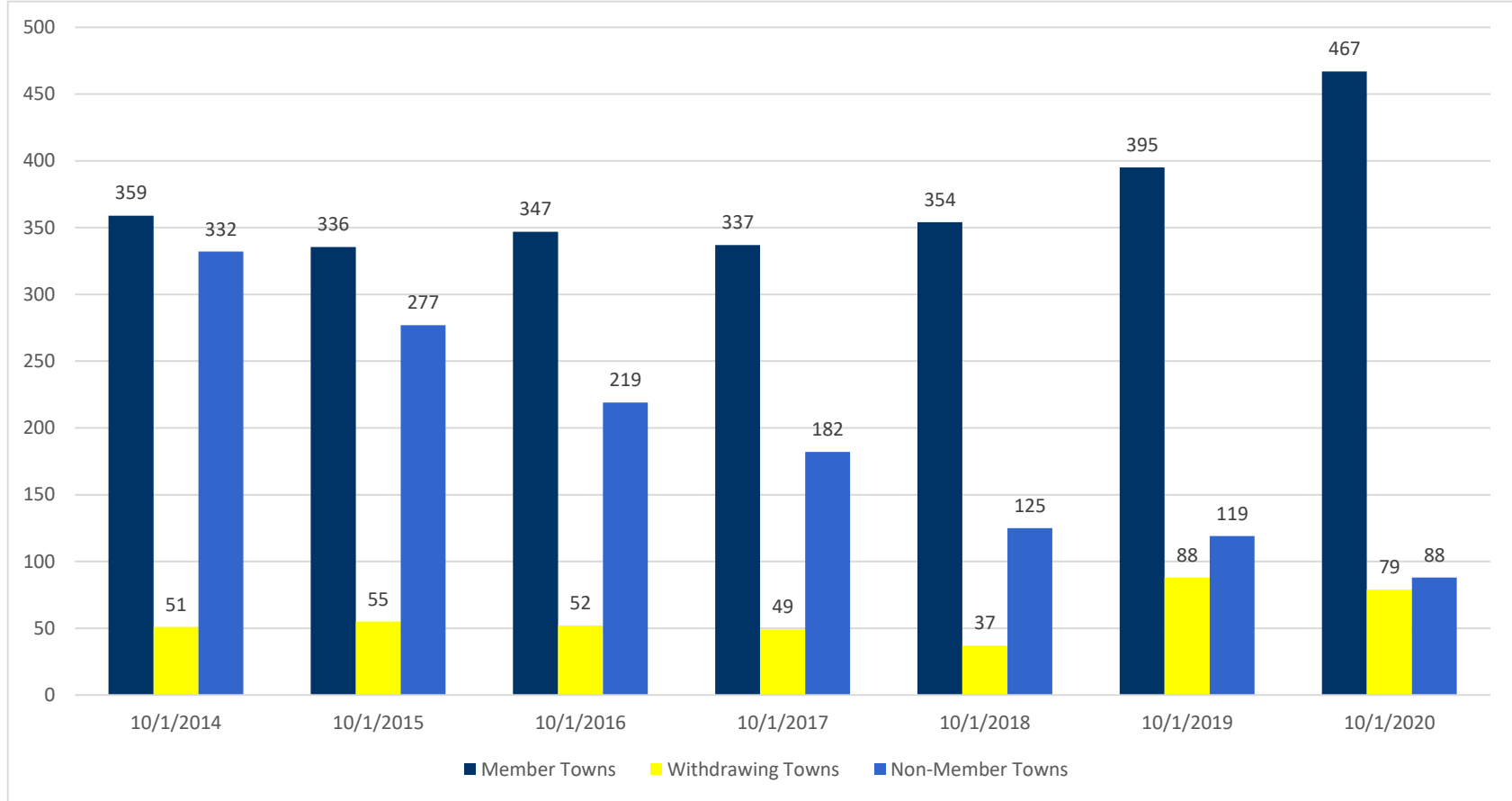
### GRADUATE PLACEMENT

	2014	2015	2016	2017	2018	2019	2020
<b>Number of Graduates</b>	148	170	149	166	127	115	121
<b>4 Year College</b>	44%	20%	46%	41%	41%	44%	41%
<b>2 Year College</b>	23%	13%	23%	24%	21%	19%	13%
<b>Employed</b>	19%	24%	25%	29%	29%	33%	25%
<b>Military</b>	7%	4%	2%	3%	5%	0%	2%
<b>Advanced Technical Training</b>	1%	13%	3%	2%	3%	3%	2%
<b>Other</b>	6%	11%	1%	1%	1%	1%	6%
<b>Total Positive Placement</b>	94%	74%	99%	99%	99%	99%	83%

### COLLEGE AND UNIVERSITY ACCEPTANCES 2020

Anna Maria College, Assumption College, Bard College, Becker College, Brigham Young University - Idaho, Bunker Hill Community College, Castleton, Champlain College, Culinary Institute of America – NY, Clarkson University, Connecticut College, Curry College, Drexel University, Eckerd College, Elizabeth Grady, Elms College, Emmanuel College, Endicott College, Fitchburg State University, Florida Gulf Coast, Framingham State, University, Franklin Pierce University, Grand Canyon University, Keene State, Lesley University, Mass Art, Mass Bay Community College, Mass. College of Liberal Arts, Mass. College of Pharmacy and Health Sciences, McGill University, Merrimack College, Middlesex Community College, Montserrat College of Art, Mount Wachusett Community College, National Aviation Academy, New College of Florida, Nichols College, Norwich University, North Shore Community College, Plymouth State University, Queens University, Regis College, Rochester Institute of Technology, Roger Williams University, Salem State University, Savannah College of Art and Design, School of Visual Arts - NY, Simmons University, Southern NH University, St. Michael's College, Stonehill College, Syracuse University, Unity College, University of California Riverside, UC Berkeley, University of Mass. Amherst, UMass Boston, UMass Dartmouth, UMass Lowell, University of Maine, University of Southern Maine, University of New England, University of New Hampshire, University of New Haven, University of Nevada, University of Southern California Santa Cruz, Virginia Commonwealth University, Wentworth Institute of Technology, Westfield State University, Worcester Polytechnical Institute, and Worcester State University.

## TOTAL ENROLLMENT 2014 to 2020



## IN DISTRICT APPLICATIONS

Recruitment Year	District Applications
2018-2019 October 2018 to September 2019 Freshmen Class of 2023	157
2019-2020 Member Town Applications as of January 4, 2020 Freshmen Class of 2024	197
2020-2021 Member Town Applications as of January 4, 2021 Freshmen Class of 2025	216





# HISTORICAL ENROLLMENT - OCTOBER 1<sup>st</sup> CENSUS

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19		FY20	FY21
TOWN	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	*	2019	2020
Acton	36	33	28	23	31	30	21	26	30	33	35	35	32		36	59
Arlington	169	150	135	131	115	139	139	165	152	120	121	115	119		142	170
Bolton	7	11	11	7	10	10	10	11	10	9	11	11	11		13	15
Concord	27	20	24	26	22	18	10	7	16	17	21	18	25		25	25
Dover	3	1	0	1	1	2	2	1	3	2	1	1	0		3	4
Lancaster	28	29	26	27	23	19	22	27	32	39	38	47	47		54	56
Lexington	54	67	81	79	89	68	65	52	42	52	55	52	52		62	71
Needham	29	18	19	17	26	34	27	35	24	25	21	20	21		24	27
Stow	44	40	25	25	29	23	26	22	19	13	16	16	19		36	40
Belmont	24	31	33	38	41	41	34	31	31	26	28	22	28		44**	45
Boxborough	12	12	13	14	16	8	6	5	5	7	4	6	6		6	4
Carlisle	8	7	8	8	5	7	9	12	8	5	4	2	2		3	3
Lincoln	5	4	2	3	4	4	4	6	6	11	8	11	10		8	8
Sudbury	12	11	13	10	18	11	18	22	25	25	22	19	11		14	7
Wayland	18	18	18	19	12	13	12	11	4	2	7	8	7		10	10
Weston	3	3	2	2	3	3	4	4	3	5	7	3	1		3	2
Total Member Towns	479	455	438	430	445	430	409	437	410	391	347	337	354		395	467
Withdrawing Towns											52	49	37		88	79
Non-Member Towns	245	245	260	250	309	355	340	356	332	277	219	182	125		119	88
TOTAL	724	700	698	680	754	785	749	793	742	668	618	568	516		602	634

\*Occupancy of new school facility

\*\*Not included in FY21 Reimbursement Calculations

In District In-district until FY17

In-district FY18-FY20

In-district FY21 and Going Forward

**Minuteman Regional High School District**

**FY22 Budget**

**FY22 Debt/Capital Allocation**

<b>FY22 - Debt/Capital Allocation By Purpose</b>				
<u>Purpose</u>	<u>ESCO Lease-Prior to 12/10/2015</u>	<u>Capital/Leases</u>	<u>Sch. Proj.Debt</u>	<u>TOTAL FY22 DEBT/CAPITAL</u>
Building Improvements (Maint. & Equip.)		5,000		5,000
Copier Leases		65,000		65,000
\$36M Const. Bond - Debt Service Due			2,008,731	2,008,731
\$46M Const. Bond - Debt Service Due			2,876,769	2,876,769
Principal & Interest Payment - ESCO Lease	535,137			535,137
5.9M Final Const. + Fields Debt Service Est.		179,542	324,930	504,472
\$5M - BANs			-	-
\$12M Const. Bond - Debt Service Due (est.)			564,063	564,063
Stabilization Fund		350,000		350,000
Less: Prior Year Capital Fee Revenue			(591,967)	(591,967)
Less: Current Year Capital Fee Revenue			(508,033)	(508,033)
<b><u>Total - Debt &amp; Capital</u></b>	<b>535,137</b>	<b>599,542</b>	<b>4,674,493</b>	<b>5,809,171</b>
<b>Allocation of Debt/Capital by Town</b>				
<b><u>Member Towns:</u></b>				
Acton	55,489	57,627	449,303	562,418
Arlington	159,883	206,619	1,610,964	1,977,467
Bolton	14,107	21,768	169,722	205,598
Concord	23,512	48,484	378,019	450,015
Dover	4,702	10,550	82,260	97,513
Lancaster	52,667	69,453	541,510	663,631
Lexington	66,775	97,890	763,227	927,892
Needham	25,393	43,499	339,153	408,045
Stow	40,441	43,651	340,335	424,426
<b><u>Towns Withdrawal effective July 1, 2017</u></b>				
Boxborough	4,702	-	-	4,702
Carlisle	4,702	-	-	4,702
Lincoln	7,524	-	-	7,524
Sudbury	20,691	-	-	20,691
Wayland	6,583	-	-	6,583
Weston	6,583	-	-	6,583
<b><u>Towns Withdrawal effective July 1, 2020</u></b>				
Belmont	41,381	-	-	41,381
<b>Total Debt-Capital</b>	<b>535,137</b>	<b>599,542</b>	<b>4,674,493</b>	<b>5,809,172</b>
<b>NOTE: Of the 9 member towns, 7 communities have voted an exclusion override (shaded in grey). The other two communities are funding this debt through general funds.</b>				

## PRELIMINARY FY22 ASSESSMENT TO MEMBER TOWNS

	Enrollment (Rolling 4 yr. Average)	Minimum Required Contribution	School Choice	Transportation Assessment	Remaining Operation Assessment	Capital/Debt Service	Total Budget Assessment	Total FY22 Assessment	Total FY21 Assessment	Difference
<b>ACTON</b>	40.75	\$ 891,059	\$ 19,091	\$ 75,216	\$ 642,089	\$ 562,418	\$ 2,189,873	\$ 2,189,873	\$ 1,732,983	\$ 456,890
<b>ARLINGTON</b>	136.25	\$ 2,419,638	\$ -	\$ 251,489	\$ 2,146,862	\$ 1,977,467	\$ 6,795,456	\$ 6,795,456	\$ 6,113,371	\$ 682,085
<b>BOLTON</b>	12.00	\$ 247,580	\$ -	\$ 22,149	\$ 189,081	\$ 205,598	\$ 664,408	\$ 664,408	\$ 591,917	\$ 72,491
<b>CONCORD</b>	23.00	\$ 434,410	\$ -	\$ 42,453	\$ 362,406	\$ 450,015	\$ 1,289,284	\$ 1,289,284	\$ 1,213,873	\$ 75,411
<b>DOVER</b>	2.00	\$ 73,580	\$ -	\$ 3,692	\$ 31,514	\$ 97,513	\$ 206,298	\$ 206,298	\$ 137,416	\$ 68,882
<b>LANCASTER</b>	52.00	\$ 703,811	\$ -	\$ 95,981	\$ 819,353	\$ 663,631	\$ 2,282,776	\$ 2,282,776	\$ 2,195,473	\$ 87,303
<b>LEXINGTON</b>	59.38	\$ 1,156,993	\$ -	\$ 109,594	\$ 935,559	\$ 927,892	\$ 3,130,038	\$ 3,130,038	\$ 2,863,147	\$ 266,891
<b>NEEDHAM</b>	22.50	\$ 426,184	\$ -	\$ 41,530	\$ 354,528	\$ 408,045	\$ 1,230,287	\$ 1,230,287	\$ 1,099,935	\$ 130,352
<b>STOW</b>	28.25	\$ 659,105	\$ -	\$ 52,144	\$ 445,129	\$ 424,426	\$ 1,580,804	\$ 1,580,804	\$ 1,286,053	\$ 294,751

## 2021-2022 PROPOSED CHANGES

	A	B	C	D	E	F	G
1	Function	Description	FY21 Budget	FY22 Proposed Budget	FY22 Proposed +/- FY21 Budget	% Change	Description
2	1110	FUNC: School Committee - 1110	\$14,500	\$33,500	\$19,000	131.03%	Consultants & MASC Dues
3	1210	FUNC: Superintendent - 1210	\$457,360	\$440,540	-\$16,820	-3.68%	Reduced Travel
4	1230	FUNC: Other District Administr - 1230	\$223,500	\$251,810	\$28,310	12.67%	Consolidated Admissions/Recruitment/Communications
5	1410	FUNC: Business & Finance - 1410	\$383,487	\$364,069	-\$19,418	-5.06%	Reduced Travel & supplies
6	1420	FUNC: Personnel & Benefits - 1420	\$161,603	\$154,803	-\$6,800	-4.21%	
7	1430	FUNC: Legal Services - 1430	\$75,000	\$70,000	-\$5,000	-6.67%	Reduction based on actuals and projected
8	1435	FUNC: Legal Settlements - 1435	\$0	\$0	\$0	0.00%	
9	1450	FUNC: Districtwide Technology - 1450	\$318,140	\$388,581	\$70,441	22.14%	Increase remote learning support
10	<b>SUB-TOTAL-1000</b>		<b>\$1,633,590</b>	<b>\$1,703,303</b>	<b>\$69,713</b>	<b>4.27%</b>	
11	2110	FUNC: DW SPVS Curric Directors - 2110	\$461,002	\$625,725	\$164,723	35.73%	Re-alignment of Clerical Support
12	2120	FUNC: DW Non-Supv Dept Heads - 2120	\$0	\$0	\$0	0.00%	
13	2210	FUNC: Principal/Asst. Principal - 2210	\$730,366	\$726,141	-\$4,225	-0.58%	
14	2220	FUNC: Sch Curric/Dept Leaders - 2220	\$0	\$0	\$0	0.00%	
15	2250	FUNC: Building Technology - 2250	\$140,000	\$65,000	-\$75,000	-53.57%	COVID Purchasing in FY21 Reduce FY22 Need
16	2300	FUNC: Teaching Services - 2300	\$6,935,965	\$7,249,594	\$313,629	4.52%	CBA 2.25% COLA (minus 5.0 FTE net Reductions)
17	2310	FUNC: Teachers/Pull-Out Instru - 2310	\$787,825	\$749,612	-\$38,213	-4.85%	
18	2315	FUNC: Instruction Coordinators/Team Leads - 2315	\$21,019	\$5,588	-\$15,431	-73.42%	Re-alignment of Mentor Teachers
19	2320	FUNC: Medical Therapeutic Svc - 2320	\$80,000	\$80,000	\$0	0.00%	
20	2325	FUNC: Substitute - 2325	\$95,000	\$95,000	\$0	0.00%	
21	2330	FUNC: Paraprofess & Assistants - 2340	\$270,932	\$172,045	-\$98,887	-36.50%	Reduction of 3.0 FTE Paras/Aides
22	2340	FUNC: Librarians/Media Ctr Dir - 2340	\$133,278	\$145,673	\$12,395	9.30%	
23	2355-57	FUNC: Professional Development - 2350	\$83,460	\$68,000	-\$15,460	-18.52%	Reduced Travel and Re-alignment
24	2410	FUNC: Texts/Multi-Media Adopti - 2410	\$42,000	\$60,290	\$18,290	43.55%	Increased enrollment related
25	2415	FUNC: Other Instructional Materials - 2415	\$17,000	\$16,500	-\$500	-2.94%	
26	2420	FUNC: Instructional Equipment - 2420	\$40,200	\$29,000	-\$11,200	-27.86%	Utilizing Grant funds
27	2430	FUNC: Instructional Supplies - 2430	\$218,983	\$170,691	-\$48,292	-22.05%	FY21 Carry over and pre-purchasing
28	2440	FUNC: Other Instruct Services - 2440	\$72,270	\$100,911	\$28,641	39.63%	Increased enrollment related
29	2450-2455	FUNC: Instruc Technology - 2450	\$84,615	\$146,135	\$61,520	72.71%	Increased enrollment related
30							

## 2021-2022 PROPOSED CHANGES

	A	B	C	D	E	F	G
31	Function	Description	FY21 Budget	FY22 Proposed Budget	FY22 Proposed +/- FY21 Budget	% Change	Description
32	2710	FUNC: Guidance/Adjust Counselo - 2710	\$443,951	\$387,392	-\$56,559	-12.74%	Net reduction in 1.0 FTE Clerical
33	2720	FUNC: Testing & Assessment - 2720	\$22,400	\$23,000	\$600	2.68%	
34	2800	FUNC: Psychological Services - 2800	\$189,299	\$198,280	\$8,981	4.74%	
35	SUB-TOTAL-2000		\$10,869,565	\$11,114,577	\$245,012	2.25%	
36	3100	FUNC: Attendance Services - 3100	\$0	\$0	\$0	0.00%	
37	3200	FUNC: Medical/Health Services - 3200	\$169,321	\$165,103	-\$4,218	-2.49%	
38	3300	FUNC: Pupil Transportation - 3300	\$1,515,415	\$1,470,630	-\$44,785	-2.96%	Accepted Bid lower than estimate
39	3350	FUNC: Transport. Rental - 3350	\$0	\$0	\$0	0.00%	
40	3370	FUNC: Regular Transportation - 3370	\$0	\$0	\$0	0.00%	
41	3400	FUNC: Food Services - 3400	\$25,000	\$30,000	\$5,000	20.00%	Revenue reduced - COVID
42	3510	FUNC: Athletics Services - 3510	\$387,004	\$329,078	-\$57,926	-14.97%	Reduced Transportation and Field rentals
43	3520	FUNC: Other Student Activities - 3520	\$128,656	\$109,205	-\$19,451	-15.12%	Reduced and remote activities
44	3600	FUNC: Security Services - 3600	\$77,000	\$81,970	\$4,970	6.45%	MTI and weekend support
45	SUB-TOTAL - 3000		\$2,302,396	\$2,185,986	-\$116,410	-5.06%	
46	4110	FUNC: Custodial Services - 4110	\$261,220	\$271,057	\$9,837	3.77%	
47	4120	FUNC: Heating - 4120	\$90,000	\$170,000	\$80,000	88.89%	Projected
48	4130	FUNC: Utility Services - 4130	\$427,000	\$610,000	\$183,000	42.86%	Projected
49	4210	FUNC: Maintenance Of Grounds - 4210	\$128,000	\$142,742	\$14,742	11.52%	Athletic Fields completed
50	4220	FUNC: Maintenance Of Buildings - 4220	\$539,852	\$644,339	\$104,487	19.35%	Increase HVAC and related equipment maint contracts
51	4230	FUNC: Maintenance Of Equipment - 4230	\$28,000	\$28,000	\$0	0.00%	
52	4300	FUNC: Extraordinary Maintenanc - 4300	\$0	\$0	\$0	0.00%	
53	4400	FUNC: Netwrk & Telecommun - 4400	\$206,113	\$208,026	\$1,913	0.93%	
54	4450	FUNC: Technol Maintenance - 4450	\$0	\$0	\$0	0.00%	
55	SUB-TOTAL -4000		\$1,680,185	\$2,074,163	\$393,978	23.45%	

## 2021-2022 PROPOSED CHANGES

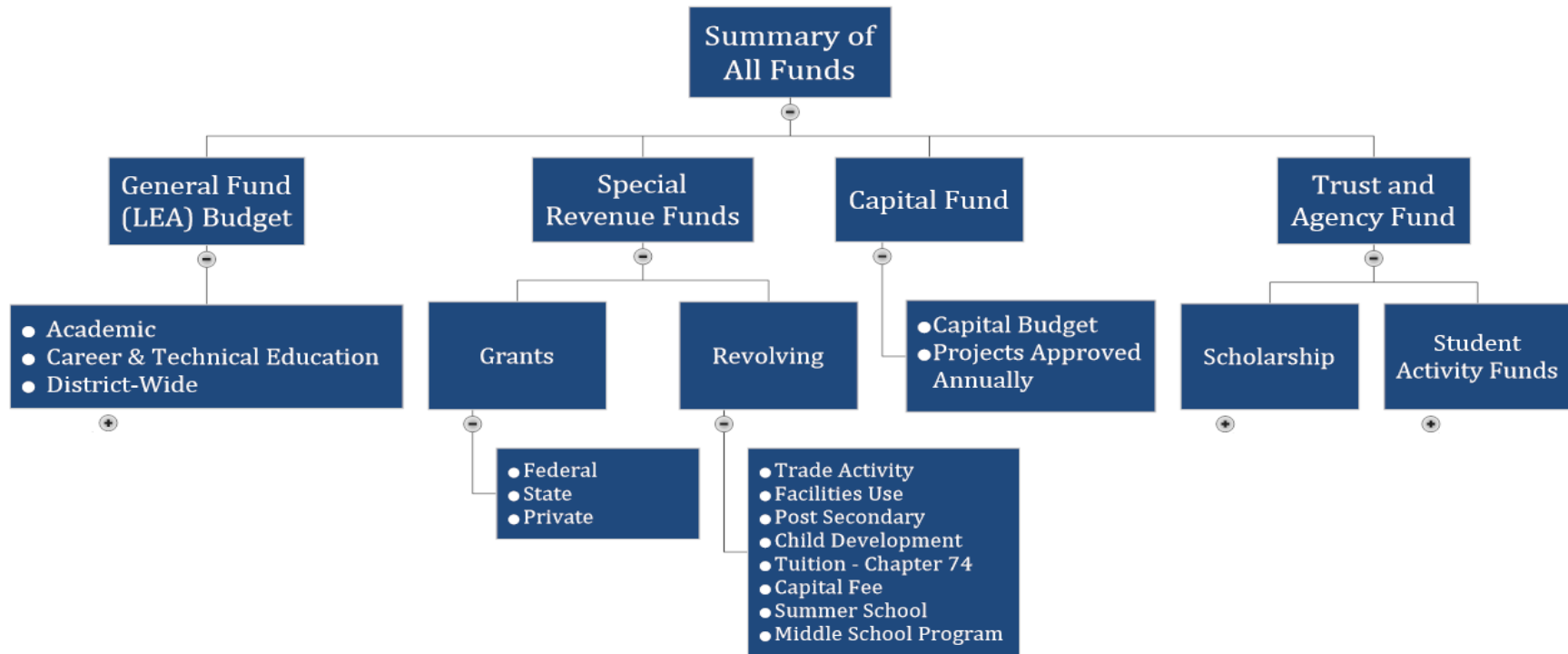
	A	B	C	D	E	F	G
56	Function	Description	FY21 Budget	FY22 Proposed Budget	FY22 Proposed +/- FY21 Budget	% Change	Description
57	5100	FUNC: Employee Retirement - 5100	\$326,600	\$356,700	\$30,100	9.22%	Per PERAC funding schedule
58	5200	FUNC: Insurance Programs - 5200	\$2,585,699	\$2,410,063	-\$175,636	-6.79%	Decrease in health insurance due to 5.0 FTE reduction
59	5250	FUNC: Retiree Insurance - 5250	\$616,507	\$610,862	-\$5,645	-0.92%	
60	5260	FUNC: Other Non-Employ Insuran - 5260	\$117,019	\$161,763	\$44,744	38.24%	
61	5300	FUNC: Rental/Lease Of Equipment - 5300	\$30,000	\$10,000	-\$20,000	-66.67%	Lease ended in FY21 for Copier
62	5400	FUNC: Debt Service - Rans - 5400	\$0	\$0	\$0	0.00%	
63	5500	FUNC: Other Fixed Charges - 5500	\$4,000	\$4,000	\$0	0.00%	
64	SUB-TOTAL - 5000		\$3,679,825	\$3,553,389	-\$126,436	-3.44%	
65	6200	FUNC: Community Service - 6200	\$80,000	\$80,000	\$0	0.00%	
66	SUB-TOTAL - 6000		\$80,000	\$80,000	\$0	0.00%	
67	7200	FUNC: Acq & Improve Of Build - 7200	\$90,000	\$355,000	\$265,000	294.44%	Capital Stab Account for 800 capacity goal
68	7300	FUNC: Acq & Improve Of Equip - 7300	\$65,000	\$65,000	\$65,000	0.00%	
69	7350	FUNC: Capital Technology - 7350	\$0	\$0	\$0	0.00%	
70	7400	FUNC: Replace Of Equipment - 7400	\$0	\$0	\$0	0.00%	
71	7500	FUNC: Acquisition Of Motor Veh - 7500	\$0	\$0	\$0	0.00%	
72	7600	FUNC: Replace Of Motor Vehicle - 7600	\$0	\$0	\$0	0.00%	
73	SUB-TOTAL - 7000		\$155,000	\$420,000	\$265,000	170.97%	
74	8100	FUNC: Debt Retire Principal - 8100	\$1,439,869	\$2,779,866	\$1,339,997	93.06%	Building Debt
75	8190	FUNC: Interest-Bonds - 8190	\$0	\$0	\$0	0.00%	
76	8600	FUNC: Debt Service/Other - 8600	\$3,652,516	\$3,709,305	\$56,789	1.55%	Building Debt
77	SUB-TOTAL - 8000		\$5,092,385	\$6,489,171	\$1,396,786	27.43%	
78	9300	FUNC: Tuition to Non-Public Schools- 9300	\$10,000	\$20,000	\$10,000	100.00%	Spec Ed and related evaluation services
79	9400	FUNC: Payments To Collab'S - 9400	\$0	\$0	\$0	0.00%	
80	SUB-TOTAL - 9000		\$10,000	\$20,000	\$10,000	100.00%	
81	TOTAL		\$25,502,946	\$27,640,588	\$2,137,642	8.38%	



**MINUTEMAN**  
HIGH SCHOOL REVOLUTIONIZED

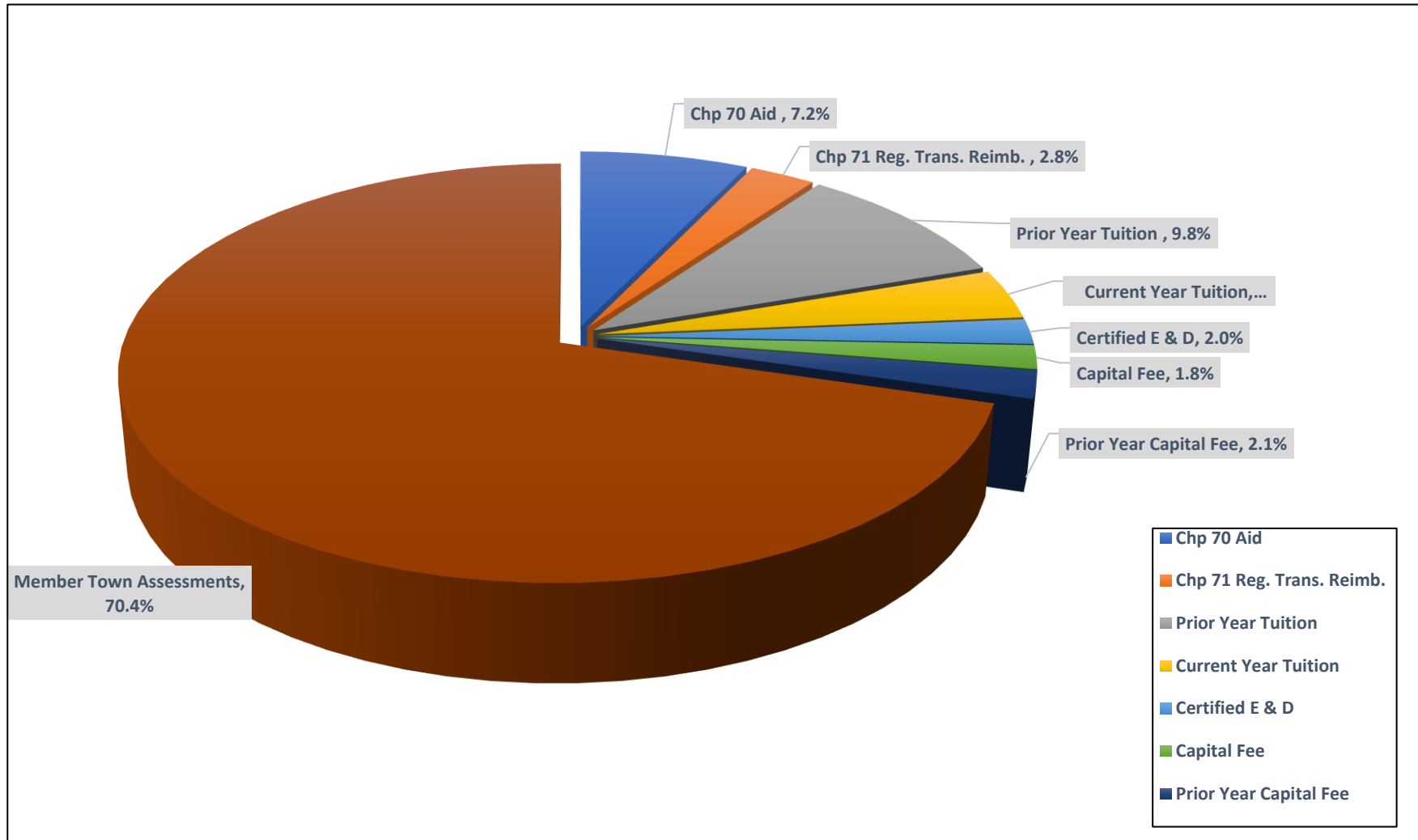
# **SUPPLEMENTARY**

# **FINANCIAL INFORMATION**





## FY22 Revenue Plan By Funding Source



## FY21 FY22 REVENUE DIFFERENCE

REVENUE SOURCE	FY2021 BUDGET	FY2022 PROPOSED	FY21-FY22 DIFFERENCE
Assessments	\$17,337,416	\$19,461,392	\$2,123,976
Chapter 70 Aid	\$2,095,633	\$1,986,977	-\$108,656
Transportation Reimbursement	\$977,179	\$776,382	-\$200,797
Prior Year Tuition	\$3,048,695	\$2,695,837	-\$352,858
Current Year Tuition	\$600,000	\$1,080,000	\$480,000
E & D Budget Appropriation	\$540,000	\$540,000	\$0
Current Year Nonresident Capital Fee	\$904,023	\$508,033	-\$395,990
Prior Year Nonresident Capital Fee	\$0	\$591,967	\$591,967
<b>TOTAL</b>	<b>\$25,502,946</b>	<b>\$27,640,588</b>	<b>\$2,137,642</b>

## GRANT FUNDING - FY16 TO FY21

GRANT TYPE	FY2016	FY2017	FY2018*	FY2019	FY2020	FY2021
Federal Competitive Grants (CvRF Municipal Grants)	\$0	\$10,000	\$0	\$0	\$0	\$210,226
Federal Entitlement Grants**	\$712,278	\$647,145	\$530,214	\$535,771	\$564,871	\$746,135
<b>TOTAL FEDERAL GRANTS RECEIVED</b>	<b>\$712,278</b>	<b>\$657,145</b>	<b>\$530,214</b>	<b>\$535,771</b>	<b>\$564,871</b>	<b>\$956,361</b>
State Competitive Grants	\$5,100	\$507,716	\$200	\$558,200	\$0	\$300,000
<b>TOTAL STATE GRANTS RECEIVED</b>	<b>\$5,100</b>	<b>\$507,716</b>	<b>\$200</b>	<b>\$558,200</b>	<b>\$0</b>	<b>\$300,000</b>
Other Competitive Grants	\$588,971	\$108,172	\$0	\$0	\$0	\$0
<b>TOTAL OTHER GRANTS RECEIVED</b>	<b>\$588,971</b>	<b>\$108,172</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL GRANT FUNDS RECEIVED</b>	<b>\$1,306,349</b>	<b>\$1,273,033</b>	<b>\$530,414</b>	<b>\$1,093,971</b>	<b>\$564,871</b>	<b>\$1,256,361</b>

\*FY18 Partial Year

\*\*Federal Entitlement Grants are enrollment driven.

(Perkins Funding used for Salary, Equipment and Professional Development)

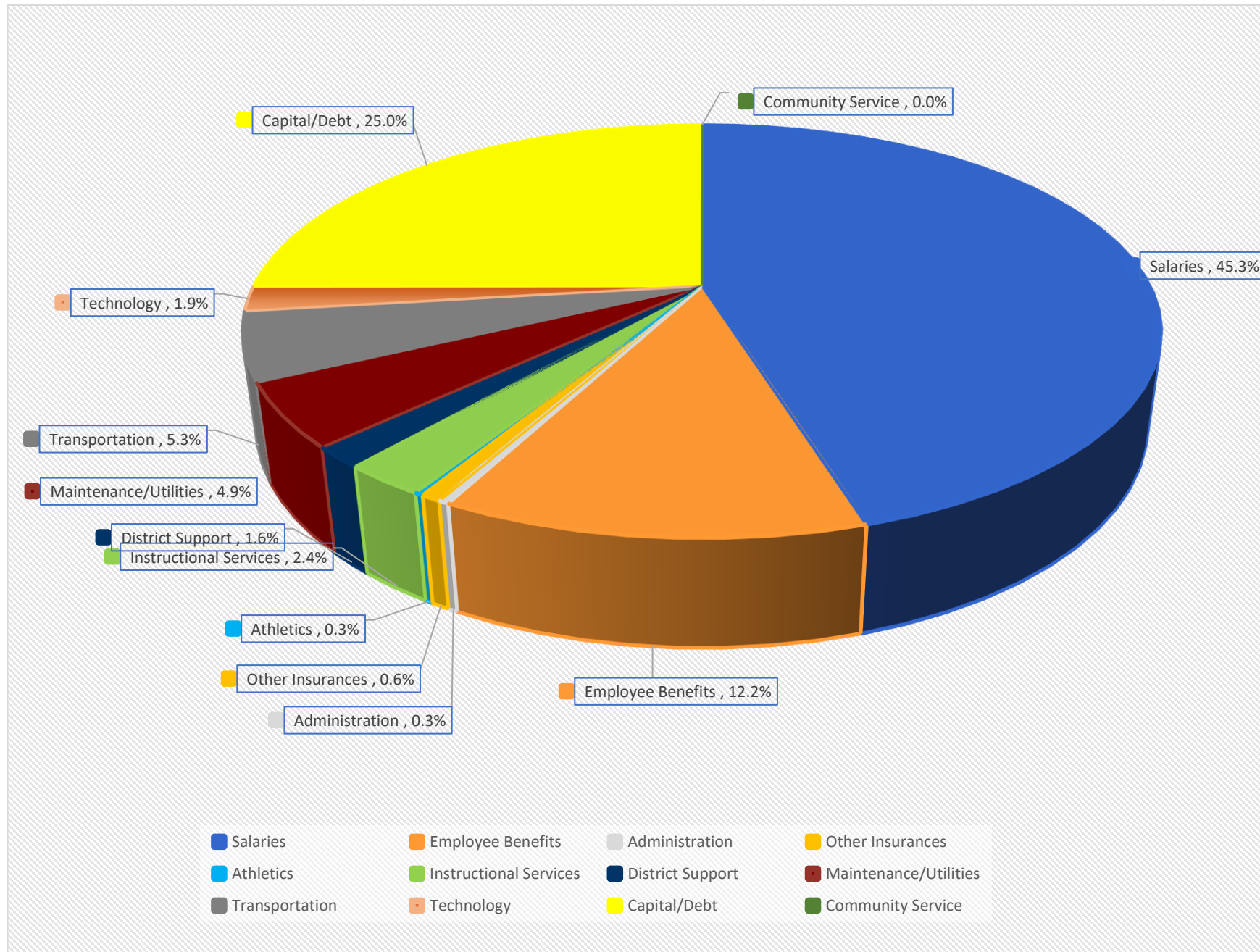
## STABILIZATION FUND

<b>BALANCE AS OF 6/30/2017</b>	<b>\$351,825.03</b>
ADDITIONAL APPROPRIATIONS	\$100,000.00
INTEREST REVENUE	\$6,374.99
<b>BALANCE AS OF 6/30/2018</b>	<b>\$458,200.02</b>
ADDITIONAL APPROPRIATIONS	\$300,000.00
INTEREST REVENUE	\$17,432.28
<b>BALANCE AS OF 6/30/2019</b>	<b>\$775,632.30</b>
ADDITIONAL APPROPRIATIONS	\$85,000.00
INTEREST REVENUE	\$13,347.17
EXPENDITURES/ENCUMBRANCES	-\$292,912.67
<b>BALANCE AS OF 6/30/2020</b>	<b>\$581,066.80</b>
ADDITIONAL APPROPRIATIONS	\$700,000.00
INTEREST REVENUE	\$1,562.93
<b>BALANCE AS OF 12/30/2020</b>	<b>\$1,282,629.73</b>
ADDITIONAL APPROPRIATIONS	\$350,000.00
PROJECTED EXPENDITURES	-\$1,200,000.00
<b>PROJECTED FY22 BALANCE</b>	<b>\$432,629.73</b>

## FY22 PROPOSED BUDGET BY STATE FUNCTION CODE

ACCOUNT CODE	ACCOUNT DESCRIPTION	FY19 ACTUAL	FY2020 BUDGET	FY2021 BUDGET	FY2022 PROPOSED BUDGET	DIFFERENCE
1000	Administration	\$1,495,025	\$1,507,349	\$1,633,590	\$1,703,303	\$69,713
2000	Student Instructional Services	\$9,893,929	\$10,332,879	\$10,869,565	\$11,114,577	\$245,012
3000	Student Services	\$1,950,267	\$2,004,399	\$2,302,396	\$2,185,986	(\$116,410)
4000	Operation & Maintenance	\$1,586,474	\$1,747,498	\$1,680,185	\$2,074,163	\$393,978
5000	Insurance, Retirement, Leases	\$2,784,943	\$3,236,872	\$3,679,825	\$3,553,389	(\$126,436)
6000	Community Services	\$100,000	\$100,000	\$80,000	\$80,000	\$0
7000	Asset Acquisition & Improvement	\$418,323	\$205,000	\$155,000	\$420,000	\$265,000
8000	Debt Service	\$2,614,158	\$3,614,833	\$5,092,385	\$6,489,171	\$1,396,786
9000	Tuition Payments	\$34,208	\$20,000	\$10,000	\$20,000	\$10,000
GENERAL FUND		\$20,877,327	\$22,768,830	\$25,502,946	\$27,640,588	\$2,137,642

## FY22 Budget By Expense Catagory



**FY22 Estimated Revenue Plan - Version 10.0 January 26, 2021**

	<b>FY21</b>	<b>FY22</b>	<b>Difference</b>	<b>% Chg.</b>
Operating Budget	20,255,561	20,731,416	475,855	2.35%
Capital Equipment/Leases	675,453	1,134,679	459,226	67.99%
<b>Sub-Total</b>	<b>20,931,014</b>	<b>21,866,095</b>	<b>935,081</b>	<b>4.47%</b>
<b>Building Project - Debt Service (1)</b>	<b>4,571,932</b>	<b>5,774,493</b>	<b>1,202,561</b>	<b>26.30%</b>
<b>Total Operating &amp; Capital Budget</b>	<b>25,502,946</b>	<b>27,640,588</b>	<b>2,137,642</b>	<b>8.38%</b>
<b><u>Non-Assessment Revenue:</u></b>				
Chp. 70 Aid	2,095,633	1,986,977	(108,656)	-5.18%
Chp. 71 Reg. Trans. Reimb.	977,179	776,382	(200,797)	-20.55%
Prior Year Tuition	3,048,695	2,695,837	(352,858)	-11.57%
Current Year Tuition	600,000	1,080,000	480,000	80.00%
Certified E & D	540,000	540,000	-	0.00%
Current Year Nonresident Capital Fee	904,023	508,033	(395,990)	-43.80%
Prior Year Nonresident Capital Fee	-	591,967	591,967	0.00%
<b>Total Non-Assessment Revenue</b>	<b>8,165,530</b>	<b>8,179,196</b>	<b>13,666</b>	<b>0.17%</b>
<b>Required Member Town Assessments</b>	<b>17,337,416</b>	<b>19,461,392</b>	<b>2,123,976</b>	<b>12.25%</b>
<b><u>Assessment Allocation by Category:</u></b>				
Minimum Required Contribution	6,301,553	7,012,360	710,807	11.28%
Transportation Budget	509,236	694,248	185,012	36.33%
ESCO Lease Assessment (2)	520,453	535,137	14,684	2.82%
Capital Equipment/Leases/Athletic Fields	155,000	599,542	444,542	286.80%
Assessments over Minimum Contribution	6,183,265	5,945,612	(237,653)	-3.84%
<b>Building Project - Debt Assessment</b>	<b>3,667,909</b>	<b>4,674,493</b>	<b>1,006,584</b>	<b>27.44%</b>
<b>Total Assessments</b>	<b>17,337,416</b>	<b>19,461,392</b>	<b>2,123,976</b>	<b>12.25%</b>

*(1) - A debt exclusion override was voted on this debt in the following towns: Acton, Arlington, Bolton, Concord, Dover, Lancaster and Stow. The other two member districts (Lexington and Needham) are funding debt through their general funds.*

*(2) - Annual ESCO Lease assessments include the proportionate share due from the seven (7) towns that have withdrawn from the district.*



**FY22 ASSESSMENT - VERSION 10.0**

**January 26, 2021**

<b>Total Required Assessments:</b>		
<b>Budget Assessment</b>		
Required Minimum Contribution	\$	7,012,360
Operating Portion	\$	5,945,612
Transportation	\$	1,470,630
LESS: Reg. Trans. Reimb.	\$	(776,382)
Debt and Capital Portion	\$	5,809,172
<b>Total Budget Assessment</b>	\$	19,461,392
<b>Special Programs Assessment<sup>1</sup></b>	\$	-
<b>Total All Assessments</b>	\$	19,461,392

Town/City	Operating Assessment										Debt/Capital	Total Budget Assessment	Special Programs Assessment <sup>1</sup>			FY22 Total All Assessments	FY21 Assessments	Change - FY21 over FY20
	State Required Minimum Assessment <sup>2</sup>				Choice Adjustment	Transportation & Remaining Assessment Per District Agreement				Total Operating Assessment <sup>4</sup>	Total Debt & Capital Assessment <sup>5</sup>		Post-Graduate Assessment		Middle School			
	State Foundation Enrollment (incl. Post Second stds.)	MM Foundation Budget @ \$20193.44/ Student	State-Mandated Municipal Contribution %	ESTIMATED State Required Minimum Assessment <sup>2</sup>	Total Grade 9-12 Enrollment <sup>3</sup>	Transportation & Operating Assessment Share	Transportation Assessment Share	Total Remaining Operating Assessment	Post-Grad Students <sup>3</sup>				Post-Grad Assessment @ \$3,800/Student	Total Middle School Assessment				
Acton	61	\$ 1,231,800	72.34%	891,059	\$ 19,091	40.75	10.83%	75,216	\$ 642,089	\$ 1,627,455	\$ 562,418	\$ 2,189,873	0	\$ -	\$ -	\$ 2,189,873	\$ 1,732,983	\$ 456,890
Arlington	175	\$ 3,533,852	68.47%	2,419,638	\$ -	136.25	36.22%	251,489	\$ 2,146,862	\$ 4,817,989	\$ 1,977,467	\$ 6,795,456	0	\$ -	\$ -	\$ 6,795,456	\$ 6,113,371	\$ 682,085
Belmont	0	\$ -		-	\$ -	0.00	0.00%	-	\$ -	\$ -	\$ 41,381	\$ 41,381	0	\$ -	\$ -	\$ 41,381	\$ 46,356	\$ (4,975)
Bolton	17	\$ 343,288	72.12%	247,580	\$ -	12.00	3.19%	22,149	\$ 189,081	\$ 458,811	\$ 205,598	\$ 664,408	0	\$ -	\$ -	\$ 664,408	\$ 591,917	\$ 72,491
Boxborough	0	\$ -		-	\$ -	0.00	0.00%	-	\$ -	\$ -	\$ 4,702	\$ 4,702	0	\$ -	\$ -	\$ 4,702	\$ 5,268	\$ (566)
Carlisle	0	\$ -		-	\$ -	0.00	0.00%	-	\$ -	\$ -	\$ 4,702	\$ 4,702	0	\$ -	\$ -	\$ 4,702	\$ 5,268	\$ (566)
Concord	29	\$ 585,610	74.18%	434,410		23.00	6.11%	42,453	\$ 362,406	\$ 839,269	\$ 450,015	\$ 1,289,284	0	\$ -	\$ -	\$ 1,289,284	\$ 1,213,873	\$ 75,411
Dover	4	\$ 80,774	91.09%	73,580	\$ -	2.00	0.53%	3,692	\$ 31,514	\$ 108,785	\$ 97,513	\$ 206,298	0	\$ -	\$ -	\$ 206,298	\$ 137,416	\$ 68,882
Lancaster	56	\$ 1,130,833	62.24%	703,811	\$ -	52.00	13.83%	95,981	\$ 819,353	\$ 1,619,145	\$ 663,631	\$ 2,282,776	0	\$ -	\$ -	\$ 2,282,776	\$ 2,195,473	\$ 87,303
Lexington	77	\$ 1,554,895	74.41%	1,156,993	\$ -	59.38	15.79%	109,594	\$ 935,559	\$ 2,202,146	\$ 927,892	\$ 3,130,038	0	\$ -	\$ -	\$ 3,130,038	\$ 2,863,147	\$ 266,891
Lincoln	0	\$ -		-	\$ -	0.00	0.00%	-	\$ -	\$ -	\$ 7,524	\$ 7,524	0	\$ -	\$ -	\$ 7,524	\$ 8,428	\$ (904)
Needham	28	\$ 565,416	75.38%	426,184	\$ -	22.50	5.98%	41,530	\$ 354,528	\$ 822,242	\$ 408,045	\$ 1,230,287	0	\$ -	\$ -	\$ 1,230,287	\$ 1,099,935	\$ 130,352
Stow	44	\$ 888,511	74.18%	659,105	\$ -	28.25	7.51%	52,144	\$ 445,129	\$ 1,156,378	\$ 424,426	\$ 1,580,804	0	\$ -	\$ -	\$ 1,580,804	\$ 1,286,053	\$ 294,751
Sudbury	0	\$ -		-	\$ -	0.00	0.00%	-	\$ -	\$ -	\$ 20,691	\$ 20,691	0	\$ -	\$ -	\$ 20,691	\$ 23,178	\$ (2,487)
Wayland	0	\$ -		-	\$ -	0.00	0.00%	-	\$ -	\$ -	\$ 6,583	\$ 6,583	0	\$ -	\$ -	\$ 6,583	\$ 7,375	\$ (792)
Weston	0	\$ -		-	\$ -	0.00	0.00%	-	\$ -	\$ -	\$ 6,583	\$ 6,583	0	\$ -	\$ -	\$ 6,583	\$ 7,375	\$ (792)
TOTAL	491	\$ 9,914,979	70.72%	\$ 7,012,360	\$ 19,091	376.13	100.00%	\$ 694,248	\$ 5,926,521	\$ 13,652,220	\$ 5,809,172	\$ 19,461,391	0	\$ -	\$ -	\$ 19,461,391	\$ 17,337,416	\$ 2,123,975

**Footnotes:**

1. Special Programs Assessment provides funding for the Middle School Program to those communities that offer the program. Middle School Program Discontinued 6/30/20 except Acton Boxborough. Assessment paid by AB School District.
2. The State Required Minimum Assessments are based on Governor's budget released December, 2020.
3. All student enrollment numbers are based on most recent 4 year rolling average of enrollments as of October 1st. Does not include Belmont who withdrew from district 6/30/20.
4. The Total Operating Assessment equals the sum of the State Required Minimum assessment, the Transportation assessment, the Choice adjustment, and the remaining allocated assessment per the District Agreement.
5. Annual ESCO Lease assessments include the proportionate share due from the six towns that withdrew from the district effective July 1, 2017 and the Belmont withdrawal 6/30/20.



**Minuteman Regional School District  
FY22 Capital Assessment - Version 10.0**

	DEBT ALLOCATION - PRIOR TO 12/10/2015			DEBT AND CAPITAL ALLOCATION						NEW BUILDING CONSTRUCTION DEBT SERVICE ALLOCATION						TOTAL
	Enrollment (Min. of 5 Students)			Enrollment Basis			Chapter 70 - Combined Effort Basis		Capital Base Cont. Basis	Enrollment Basis			Chapter 70 - Combined Effort Basis		Capital Base Cont. Basis	
Town	Enrollment October 1, 2020 (Min. of 5 Students)	Enrollment Method Debt/Capital Assessment Share	ESCO Project	4 Yr. Rolling Ave. Enrollment Debt/Capital Assessment	FY18 Debt/Capital Assessment Share	Enrollment - 4 year rolling Average	Combined Effort Capital Assessment Share	Chapter 70 - Combined Effort	Capital Base Contribution	4 Yr. Rolling Ave. Enrollment Debt/Capital Assessment	FY18 Debt/Capital Assessment Share	Enrollment - 4 year rolling Average	Combined Effort Capital Assessment Share	Chapter 70 - Combined Effort	Capital Base Contribution	Capital Assessment
Action	59.0	10.37%	\$55,489	40.8	10.83%	\$32,478	7.79%	\$19,154	\$5,995	40.8	10.83%	\$253,221	7.79%	\$149,337	\$46,745	\$562,418
Arlington	170.0	29.88%	\$159,883	136.3	36.22%	\$108,591	37.44%	\$92,033	\$5,995	136.3	36.22%	\$846,660	37.44%	\$717,560	\$46,745	\$1,977,467
Belmont	44.0	7.73%	\$41,381	0.0	0.00%	\$0	0.00%	\$0	\$0	0.0	0.00%	\$0	0.00%	\$0	\$0	\$41,381
Bolton	15.0	2.64%	\$14,107	12.0	3.19%	\$9,564	2.53%	\$6,209	\$5,995	12.0	3.19%	\$74,568	2.53%	\$48,409	\$46,745	\$205,598
Boxborough	5.0	0.88%	\$4,702	0.0	0.00%	\$0	0.00%	\$0	\$0	0.0	0.00%	\$0	0.00%	\$0	\$0	\$4,702
Carlisle	5.0	0.88%	\$4,702	0.0	0.00%	\$0	0.00%	\$0	\$0	0.0	0.00%	\$0	0.00%	\$0	\$0	\$4,702
Concord	25.0	4.39%	\$23,512	23.0	6.11%	\$18,331	9.83%	\$24,158	\$5,995	23.0	6.11%	\$142,922	9.83%	\$188,351	\$46,745	\$450,015
Dover	5.0	0.88%	\$4,702	2.0	0.53%	\$1,594	1.20%	\$2,961	\$5,995	2.0	0.53%	\$12,428	1.20%	\$23,087	\$46,745	\$97,513
Lancaster	56.0	9.84%	\$52,667	52.0	13.83%	\$41,444	8.96%	\$22,014	\$5,995	52.0	13.83%	\$323,129	8.96%	\$171,636	\$46,745	\$663,631
Lexington	71.0	12.48%	\$66,775	59.4	15.79%	\$47,322	18.13%	\$44,573	\$5,995	59.4	15.79%	\$368,957	18.13%	\$347,525	\$46,745	\$927,892
Lincoln	8.0	1.41%	\$7,524	0.0	0.00%	\$0	0.00%	\$0	\$0	0.0	0.00%	\$0	0.00%	\$0	\$0	\$7,524
Needham	27.0	4.75%	\$25,393	22.5	5.98%	\$17,932	7.96%	\$19,571	\$5,995	22.5	5.98%	\$139,815	7.96%	\$152,593	\$46,745	\$408,045
Stow	43.0	7.56%	\$40,441	28.3	7.51%	\$22,515	6.16%	\$15,140	\$5,995	28.3	7.51%	\$175,546	6.16%	\$118,044	\$46,745	\$424,426
Sudbury	22.0	3.87%	\$20,691	0.0	0.00%	\$0	0.00%	\$0	\$0	0.0	0.00%	\$0	0.00%	\$0	\$0	\$20,691
Wayland	7.0	1.23%	\$6,583	0.0	0.00%	\$0	0.00%	\$0	\$0	0.0	0.00%	\$0	0.00%	\$0	\$0	\$6,583
Weston	7.0	1.23%	\$6,583	0.0	0.00%	\$0	0.00%	\$0	\$0	0.0	0.00%	\$0	0.00%	\$0	\$0	\$6,583
<b>Total</b>	<b>569.0</b>	<b>100.00%</b>	<b>\$535,137</b>	<b>376.1</b>	<b>100.00%</b>	<b>\$299,771</b>	<b>50%</b>	<b>\$245,812</b>	<b>\$53,959</b>	<b>376.1</b>	<b>100.00%</b>	<b>\$2,337,246</b>	<b>50%</b>	<b>\$1,916,542</b>	<b>\$420,704</b>	<b>\$5,809,172</b>

Capital Allocation - 9 Towns				
	Enrollment	Combined Effort	Capital Base Con.	
Prior to 12/10/16	50.0%	41.0%	9.0%	100.0%
ESCO	\$535,137			
After to 12/10/16				
Debt & Capital	\$599,542	\$299,771	\$245,812	\$53,959 -
Capital Allocation - 9 Towns				
	Enrollment	Combined Effort	Capital Base Con.	
After to 12/10/16	50.0%	41.0%	9.0%	100.0%
Debt & Capital	\$4,674,493	\$2,337,246	\$1,916,542	\$420,704 -

Capital Allocation by Method				
Purpose	Debt Prior to 12/10/16	Capital/Leases	Sch. Debt	TOTAL DEBT
Building Improvements (Maint. & Equip.)		5,000		5,000
Copier Leases		65,000		65,000
\$36M Const. Bond - Debt Service Due			2,008,731	2,008,731
\$46M Const. Bond - Debt Service Due			2,876,769	2,876,769
Principal & Interest Payment - ESCO Lease	535,137			535,137
\$5.7M Final Const +Fields Projected Debt Service		179,542	324,930	504,472
\$4M Const. Bond - Dept Service Due			-	-
\$12M Const. Bond - Debt Service Due			564,063	564,063
Stabilization Fund		350,000		350,000
LESS: Prior Year Capital Fee Revenue			(591,967)	(591,967)
LESS: Current Year Capital Fee Revenue			(508,033)	(508,033)
<b>Total - Debt &amp; Capital</b>	<b>535,137</b>	<b>599,542</b>	<b>4,674,493</b>	<b>5,809,172</b>

**Calculation Factor - Capital Base Contribution** 1.00%

**Minuteman Regional School District  
FY22 Capital Assessment - Version 10.0**

<b>Debt &amp; Capital Assessment</b>														
<b>Enrollment- Based on 4 year Rolling Average</b>					<b>Min Of 1</b>			<b>Calculation Factor - Ch. 70 Combined Effort Capital Allocation</b>						
<b>Debt &amp; Capital</b>	<b>Enrollment Count as of October 2020</b>	<b>Enrollment Count as of October 2019</b>	<b>Enrollment Count as of October 2018</b>	<b>Enrollment Count as of October 2017</b>	<b>Total Enrollment Operating Costs</b>	<b>Total Enrollment Debt/Capital Costs</b>	<b>Percent of Enrollment</b>		<b>Enrollment 4 year Rolling Average</b>	<b>FY21 Total Foundation Enrollment</b>	<b>MM Enrollment ÷ Community Foundation Enrollment</b>	<b>FY22 Total Combined Effort Yield</b>	<b>TOTAL - Combined Effort Yield @ Minuteman</b>	<b>Combined Effort Capital Assessment Share</b>
Acton	59	39	32	33	40.75	40.75	10.83%	Acton	40.8	4,479	0.91%	40,416,470	367,710	7.79%
Arlington	170	142	119	114	136.25	136.25	36.22%	Arlington	136.3	6,237	2.18%	80,878,987	1,766,837	37.44%
Bolton	15	11	11	11	12.00	12.00	3.19%	Bolton	12.0	1,019	1.18%	10,121,769	119,196	2.53%
Concord	25	25	25	17	23.00	23.00	6.11%	Concord	23.0	3,113	0.74%	62,770,897	463,775	9.83%
Dover	4	3	0	1	2.00	2.00	0.53%	Dover	2.0	1,193	0.17%	33,908,956	56,847	1.20%
Lancaster	56	55	47	50	52.00	52.00	13.83%	Lancaster	52.0	995	5.23%	8,086,630	422,618	8.96%
Lexington	71	61	52	53.5	59.38	59.38	15.79%	Lexington	59.4	7,347	0.81%	105,884,162	855,706	18.13%
Needham	27	22	21	20	22.50	22.50	5.98%	Needham	22.5	5,778	0.39%	96,486,573	375,727	7.96%
Stow	43	36	19	15	28.25	28.25	7.51%	Stow	28.3	1,175	2.40%	12,089,306	290,658	6.16%
<b>Total</b>	<b>470</b>	<b>394</b>	<b>326</b>	<b>314.5</b>	<b>376.13</b>	<b>376.13</b>	<b>100.00%</b>	<b>Total</b>	<b>376.1</b>	<b>31,336</b>	<b>14.01%</b>	<b>450,643,750</b>	<b>4,719,072</b>	<b>100.00%</b>

<b>New Building Design &amp; Constuction Debt Service Assessment</b>														
<b>Enrollment- Based on 4 year Rolling Average</b>					<b>Min Of 1</b>			<b>Calculation Factor - Ch. 70 Combined Effort Capital Allocation</b>						
<b>Debt Service Assessed to 9 Towns</b>	<b>Enrollment Count as of October 2020</b>	<b>Enrollment Count as of October 2019</b>	<b>Enrollment Count as of October 2018</b>	<b>Enrollment Count as of October 2017</b>	<b>Total Enrollment Operating Costs</b>	<b>Total Enrollment Debt/Capital Costs</b>	<b>Percent of Enrollment</b>		<b>Enrollment 4 year Rolling Average</b>	<b>FY22 Total Foundation Enrollment</b>	<b>MM Enrollment ÷ Community Foundation Enrollment</b>	<b>FY22 Total Combined Effort Yield</b>	<b>TOTAL - Combined Effort Yield @ Minuteman</b>	<b>Combined Effort Capital Assessment Share</b>
Acton	59	39	32	33	40.75	40.75	10.83%	Acton	40.8	4,479	0.91%	40,416,470	367,710	7.79%
Arlington	170	142	119	114	136.25	136.25	36.22%	Arlington	136.3	6,237	2.18%	80,878,987	1,766,837	37.44%
Bolton	15	11	11	11	12.00	12.00	3.19%	Bolton	12.0	1,019	1.18%	10,121,769	119,196	2.53%
Concord	25	25	25	17	23.00	23.00	6.11%	Concord	23.0	3,113	0.74%	62,770,897	463,775	9.83%
Dover	4	3	0	1	2.00	2.00	0.53%	Dover	2.0	1,193	0.17%	33,908,956	56,847	1.20%
Lancaster	56	55	47	50	52.00	52.00	13.83%	Lancaster	52.0	995	5.23%	8,086,630	422,618	8.96%
Lexington	71	61	52	53.5	59.38	59.38	15.79%	Lexington	59.4	7,347	0.81%	105,884,162	855,706	18.13%
Needham	27	22	21	20	22.50	22.50	5.98%	Needham	22.5	5,778	0.39%	96,486,573	375,727	7.96%
Stow	43	36	19	15	28.25	28.25	7.51%	Stow	28.3	1,175	2.40%	12,089,306	290,658	6.16%
<b>Total</b>	<b>470</b>	<b>394</b>	<b>326</b>	<b>314.5</b>	<b>376.13</b>	<b>376.13</b>	<b>100.00%</b>	<b>Total</b>	<b>376.1</b>	<b>31,336</b>	<b>14.01%</b>	<b>450,643,750</b>	<b>4,719,072</b>	<b>100.00%</b>

<b>Enrollment Allocation for Debt/Capital - Prior to 12/15/15</b>					<b>Percent Allocation (col. D)</b>	
					<b>(col. B)</b>	<b>(col. C)</b>
<b>Town</b>	<b>Foundation Enrollment 10/1/20</b>	<b>LESS: Post-Secondary Enrollment</b>	<b>PLUS: AM Students (.5 FTE)</b>	<b>PLUS: Enrollment Adj. (Min. Of 5)</b>	<b>TOTAL - 10.1.20 Adj. Enrollment</b>	<b>Debt/Capital Assessment Share</b>
Acton	61	-2			59	10.37%
Arlington	175	-5			170	29.88%
Belmont	44				44	7.73%
Bolton	17	-2			15	2.64%
Boxborough	5				5	0.88%
Carlisle	5				5	0.88%
Concord	29	-4			25	4.39%
Dover	4			1	5	0.88%
Lancaster	56				56	9.84%
Lexington	77	-6			71	12.48%
Lincoln	8				8	1.41%
Needham	28	-1			27	4.75%
Stow	44	-1			43	7.56%
Sudbury	22				22	3.87%
Wayland	7				7	1.23%
Weston	7				7	1.23%
<b>Total</b>	<b>589</b>	<b>-21</b>	<b>0</b>	<b>1</b>	<b>569</b>	<b>100.00%</b>

# GLOSSARY

TERMS	DEFINITION
<b>ASSESSMENT</b>	Our 9 member towns support the Minuteman budget by paying an assessment determined by the regional agreement document. DESE sets the minimum local contribution amount each town must pay and any amount over that minimum is apportioned according to the regional agreement which currently is operational share of enrollment on the previous October 1.
<b>PPI</b>	Progress and Performance Index (PPI): The PPI combines information about narrowing proficiency gaps, growth, and graduation and dropout rates over multiple years into a single number. All districts, schools, and student subgroups receive an annual PPI based on improvement over a two-year period and a cumulative PPI between 0 and 100 based on four years of data.
<b>Capital Fee</b>	Capital construction costs approved under the requirements of 603 CMR 4.03(6)(b)(4)
<b>CHAPTER 74</b>	Mass General Law that governs vocational education programs in Massachusetts.
<b>CHOICE</b>	Minuteman no longer accepts School Choice students. Student who attended Minuteman and then chose to attend another public high school (not their home town) that accepts school choice students.
<b>CTE</b>	Career & Technical Education
<b>DESE</b>	Department of Elementary and Secondary Education. (Formerly DOE)
<b>DOE</b>	Federal Department of Education
<b>FTE</b>	Full time equivalent - used as a standard basis of measure for student and staff figures
<b>GENERAL ADVISORY COUNCIL</b>	Council of volunteer business & industry representatives that advises the career and technical programs on current equipment needs, labor/market trends, employability skills, new industry development needs.
<b>HEADCOUNT ENROLLMENT</b>	Number of actual student body (heads) enrolled.
<b>HEALTH TRUST</b>	Minuteman is one of 4 regional vocational schools to be a member of Mass Bay Health Care Trust. The Trust has greater purchasing power to obtain better rates than any one of our schools alone. Each school is represented by 2 labor representatives and 2 management representatives who are voting Trustees.
<b>INCLUSION</b>	A program which aims to include more children with special needs in the general classroom rather than keeping them in a separate classroom setting or offering special services on a pull-out basis.
<b>LEA</b>	Local Education Agency: i.e. the individual local school district. Minuteman Regional is a LEA. Within the School Department the term is used to identify the operating budget exclusive of grants, capital funding, revolving accounts or expenses which might be funded through other parts of the Town's budget.
<b>MCAS</b>	Massachusetts Comprehensive Assessment System: As required by the Education Reform Law of 1993, MCAS was implemented to annually test all public school students across the Commonwealth in order to measure and report performance based on the Curriculum Frameworks learning standards. Students must pass the MCAS tests as one condition for earning a high school diploma.
<b>MIDDLE SCHOOL TECHNOLOGY PROGRAM</b>	Currently 1 school has elected to have Minuteman operate a technology program in their Middle School to expose students to engineering. All operational costs are each individual town program is fully borne by that town.
<b>MTI</b>	Minuteman Technical Institute
<b>MSBA</b>	Massachusetts School Building Authority; this is the state's building assistance organization.

# GLOSSARY

TERMS	DEFINITION
<b>NCLB</b>	No Child Left Behind Act enacted by federal law in 2001.
<b>NEASC</b>	New England Association of School and Colleges: the organization that accredits high schools.
<b>NON-RESIDENT TUITION</b>	MGL Chapter 74 allows students who live in MA and do not live in one of our 9 member towns to attend Minuteman and their town must pay the tuition rate set by Minuteman school committee (maximum \$ determined by DESE) as well as pay to transport the student to Minuteman.
<b>OCTOBER 1 COUNT</b>	DESE official census data is based on the October 1st enrollment data
<b>PERKINS FUNDS</b>	The Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV) is a source of federal funding to states and district grantees.
<b>POST GRADUATE (PG)</b>	Post Graduate students who attend vocational programs along with our grade 9-12 students in certain areas. PG students do not attend academic classes. PG Students from non-member towns pay 100% of their own tuition; PG students from our 9 member towns will pay 50% of tuition costs.
<b>POST SECONDARY</b>	Post Secondary are adult learners who attend only vocational program classes, not academic classes, in a separate adult only classroom format.
<b>PT/OT</b>	Physical Therapy/Occupational Therapy (provided to some Special Needs students as part of their individual educational plans).
<b>OTHER POSTEMPLOYMENT BENEFITS (OPEB)</b>	This is health insurance benefits provided to Minuteman retired employees. Government Accounting Standards require that the district financial statements report these benefits on an accrual basis rather than on a pay-as-you-go basis.
<b>REGIONAL AGREEMENT</b>	Document that governs Minuteman operations, funding and membership.
<b>SCHOOL IMPROVEMENT COUNCIL</b>	A Council of parents, teachers and community representatives that advise the school principal on ways in which the school may be improved. School councils were created under the terms of the Education Reform Act of 1993.
<b>CAPITAL STABILIZATION FUND</b>	Minuteman has established a stabilization fund, The purpose of the fund is to set aside money for future capital projects. Appropriations from this account require a two-thirds vote of all members of the School Committee.
<b>VOC ED</b>	Vocational Education which provides career and technical training in 18 different career majors (in 2 academies)
<b>YOUTH PROGRAMS</b>	During the summer, February/April vacations and specified Saturdays, a number of youth enrichment classes are offered to students in grades 1-8 for a nominal fee paid by the parents to support the program costs.

# Long Range Planning Discussion

Arlington Finance Committee

Prepared by George Kocur

Version 2

February 24, 2021

# Purpose and Limitations

- Purpose:
  - Facilitate discussion
- Limitations:
  - No recommendations are made
  - Options and impacts are presented
  - Some options may not be feasible
  - Some options may not be good ideas
  - This was put together on a Sunday afternoon. It is not a precise financial analysis.
- Presentation:
  - Annotated spreadsheets first
  - Text of the discussion items later

# Arlington Overrides and Budgets, 2005-2028

- Spreadsheets cover the timespan of the three previous overrides (2005, 2011 and 2019), to try to understand what was different then and now.
- Three past overrides in this period:
  - 2005 for \$6 million
  - 2011 for \$6.4 million
  - 2019 for \$5.5 million
- Possible override in or near 2024: three cases are shown
- Spreadsheets show summary school and town spending by year
  - Rounded to the nearest \$1 million
  - Largest budget items shown. Small items in “other”.
  - Override stabilization fund appropriations, uses, and fund balance shown
  - FY 05-21 numbers from Long Range Projections in past Finance Committee annual reports
  - FY 22-26 numbers from Long Range Plan (February 17, 2021 version)
  - FY 27-28 numbers projected based on FY22-26 trends

# Arlington Summary Spreadsheet, 2005-2028

Base case: No override in 2024

(\$millions)	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Revenue																								
State aid		17	18	18	18	17	16	16	16	20	20	21	21	19	21	23	23	24	24	24	24	24	24	24
Local receipts		8	8	9	9	8	9	9	8	8	9	9	9	9	9	10	8	9	9	10	10	10	11	11
Property tax	66	74	77	79	81	83	86	95	98	102	105	109	112	117	124	133	138	140	142	146	150	154	158	162
Override stablization fund		0	0	0	0	3	2	0	0	0	0	0	0	0	3	0	2	6	11	8	0	0	0	0
Other (free cash, etc.)		2	2	1	3	3	1	1	4	3	2	3	5	8	4	6	7	6	5	4	4	5	5	5
Total		101	105	107	111	114	114	121	126	133	136	142	147	153	161	172	178	185	191	192	188	193	198	202
Expenses/appropriations																								
School-general		24	25	27	27	28	28	29	30	31	33	35	37	39	44	46	50	53	56	59	62	65	68	71
School-special		10	10	10	11	11	11	13	14	15	16	18	19	20	21	23	25	26	28	30	32	34	36	38
Net town budget		25	26	27	28	28	28	29	29	30	30	32	33	35	36	37	38	39	40	41	43	44	45	46
Pensions, insurance, capital		20	20	20	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41
Override stablization fund		0	2	0	1	0	0	4	4	6	4	3	2	0	0	2	0	0	0	0	0	0	0	0
Other		16	14	13	12	14	13	14	17	18	19	19	18	20	19	22	18	18	16	16	15	19	19	19
Cuts																			-7	-19	-26	-29	-33	
Total		101	105	107	111	114	114	121	126	133	136	142	147	153	161	172	178	185	191	192	188	193	198	202
Prop tax increase		13%	4%	3%	3%	2%	4%	10%	3%	4%	3%	4%	3%	4%	6%	7%	1%	1%	1%	3%	3%	2%	3%	3%
Expenses increase			2%	4%	3%	4%	0%	3%	4%	4%	4%	5%	4%	6%	5%	6%	5%	4%	3%	1%	-2%	3%	3%	2%
Override		6						6.4								5.5			0					???
Override %		9%						7%								5%			0					
Override fund balance		2	4	4	4	2	0	4	8	14	18	21	23	2	21	26	24	18	8	0	0	0	0	0



# Arlington Summary Spreadsheet, 2005-2028

\$25 million override to cover currently projected expenses

(\$millions)	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
<b>Revenue</b>																								
State aid		17	18	18	18	17	16	16	16	20	20	21	21	19	21	23	23	24	24	24	24	24	24	24
Local receipts		8	8	9	9	8	9	9	8	8	9	9	9	9	9	10	8	9	9	10	10	10	11	11
Property tax	66	74	77	79	81	83	86	95	98	102	105	109	112	117	124	133	138	140	142	171	175	179	183	187
Override stablization fund		0	0	0	0	3	2	0	0	0	0	0	0	0	3	0	2	6	24	0	0	1	4	8
Other (free cash, etc.)		2	2	1	3	3	1	1	4	3	2	3	5	8	4	6	7	6	5	5	5	5	5	5
<b>Total</b>		<b>101</b>	<b>105</b>	<b>107</b>	<b>111</b>	<b>114</b>	<b>114</b>	<b>121</b>	<b>126</b>	<b>133</b>	<b>136</b>	<b>142</b>	<b>147</b>	<b>153</b>	<b>161</b>	<b>172</b>	<b>178</b>	<b>185</b>	<b>191</b>	<b>210</b>	<b>214</b>	<b>219</b>	<b>227</b>	<b>235</b>
<b>Expenses/appropriations</b>																								
School-general		24	25	27	27	28	28	29	30	31	33	35	37	39	44	46	50	53	56	59	62	65	68	71
School-special		10	10	10	11	11	11	13	14	15	16	18	19	20	21	23	25	26	28	30	32	34	36	38
Net town budget		25	26	27	28	28	28	29	29	30	30	32	33	35	36	37	38	39	40	41	43	44	45	46
Pensions, insurance, capital		26	28	30	32	33	34	32	32	33	34	35	38	39	41	42	47	49	51	53	55	57	59	61
Override stablization fund		0	2	0	1	0	0	4	4	6	4	3	2	0	0	2	0	0	0	11	7	0	0	0
Other		16	14	13	12	14	13	14	17	18	19	19	18	20	19	22	18	18	16	16	15	19	19	19
Cuts																								
<b>Total</b>		<b>101</b>	<b>105</b>	<b>107</b>	<b>111</b>	<b>114</b>	<b>114</b>	<b>121</b>	<b>126</b>	<b>133</b>	<b>136</b>	<b>142</b>	<b>147</b>	<b>153</b>	<b>161</b>	<b>172</b>	<b>178</b>	<b>185</b>	<b>191</b>	<b>210</b>	<b>214</b>	<b>219</b>	<b>227</b>	<b>235</b>
Prop tax increase		12%	4%	3%	3%	2%	4%	10%	3%	4%	3%	4%	3%	4%	6%	7%	4%	1%	1%	20%	2%	2%	2%	2%
Expenses increase			2%	4%	3%	4%	0%	3%	4%	4%	4%	5%	4%	6%	5%	6%	5%	4%	3%	4%	4%	6%	4%	4%
Override		6						6.4								5.5				25				???
Override %		9%						7%								5%				18%				
Override fund balance		2	4	4	4	2	0	4	8	14	18	21	23	23	21	26	24	18	11	11	18	17	13	5

# Arlington Summary Spreadsheet, 2005-2028

\$15 million override to cover lower projected expenses

(\$millions)	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
<b>Revenue</b>																								
State aid		17	18	18	18	17	16	16	16	20	20	21	21	19	21	23	23	24	24	24	24	24	24	24
Local receipts		8	8	9	9	8	9	9	8	8	9	9	9	9	9	10	10	10	11	11	11	12	12	12
Property tax	66	74	77	79	81	83	86	95	98	102	105	109	112	117	124	133	138	140	142	161	165	169	173	177
Override stablization fund		0	0	0	0	3	2	0	0	0	0	0	0	0	3	0	2	2	8	0	0	4	4	8
Other (free cash, etc.)		2	2	1	3	3	1	1	4	3	2	3	5	8	4	6	7	6	5	4	4	5	5	5
<b>Total</b>		<b>101</b>	<b>105</b>	<b>107</b>	<b>111</b>	<b>114</b>	<b>114</b>	<b>121</b>	<b>126</b>	<b>133</b>	<b>136</b>	<b>142</b>	<b>147</b>	<b>153</b>	<b>161</b>	<b>172</b>	<b>178</b>	<b>184</b>	<b>189</b>	<b>200</b>	<b>204</b>	<b>213</b>	<b>218</b>	<b>226</b>
<b>Expenses/appropriations</b>																								
School-general		24	25	27	27	28	28	29	30	31	33	35	37	39	44	46	50	52	55	57	60	63	64	67
School-special		10	10	10	11	11	11	13	14	15	16	18	19	20	21	23	25	26	28	29	31	33	35	37
Net town budget		25	26	27	28	28	28	29	29	30	30	32	33	35	36	37	38	39	39	40	40	41	41	42
Pensions, insurance, capital		26	28	30	32	33	34	32	32	33	34	35	38	39	41	42	47	49	51	53	55	57	59	61
Override stablization fund		0	2	0	1	0	0	4	4	6	4	3	2	0	0	2	0	0	0	5	3	0	0	0
Other		16	14	13	12	14	13	14	17	18	19	19	18	20	19	22	18	18	16	16	15	19	19	19
Cuts-included above																								
<b>Total</b>		<b>101</b>	<b>105</b>	<b>107</b>	<b>111</b>	<b>114</b>	<b>114</b>	<b>121</b>	<b>126</b>	<b>133</b>	<b>136</b>	<b>142</b>	<b>147</b>	<b>153</b>	<b>161</b>	<b>172</b>	<b>178</b>	<b>184</b>	<b>189</b>	<b>200</b>	<b>204</b>	<b>213</b>	<b>218</b>	<b>226</b>
Prop tax increase		12%	4%	3%	3%	2%	4%	10%	3%	4%	3%	4%	3%	4%	6%	7%	4%	1%	1%	13%	2%	2%	2%	2%
Expenses increase			2%	4%	3%	4%	0%	3%	4%	4%	4%	5%	4%	6%	5%	6%	5%	3%	3%	3%	3%	6%	2%	4%
Override		6						6.4								5.5				15				???
Override %		9%						7%								5%				11%				
Override fund balance		2	4	4	4	2	0	4	8	14	18	21	23	23	21	26	24	19	11	16	19	15	11	3
Net expense change required																		1	3	5	7	7	10	10

# 2019 Override Comments

- The percentage tax increase of overrides has decreased over 2006, 2011 and 2019, from 9% to 7% to 5%.
  - The 2019 override was perhaps too small and promised too much.
  - It is depleting a \$26 million override stabilization fund in 4-5 years.
- The override stabilization fund was large in 2019-- \$21 million-- when the override was voted. This differs from past practice.
  - The 2019 override was effectively a \$10 million override: \$5.5m in the vote, plus the \$21 million in the stabilization fund, which will be spent in 5 years
- The 2019 override was perhaps the first to add services, versus just addressing the structural deficit and avoiding cuts.
  - We may or may not be able to do this again.

# Long Term Expense Trends

- The annual expense increase was 0-4% from 2006 to 2015, averaging about 3%.
  - Since 2015 it has been 4-6%, averaging over 5%.
- From 2006-2015, expenses were 0.5% over the 2.5%/year Prop 2 1/2 limit on revenues.
  - Since 2015, expenses have been 2.5%+ over the 2.5%/year Prop 2 1/2 limit
  - We recognize that revenues also include growth and debt exclusions, which effectively raise the limit.
- The difference between the expense growth rate and the Prop 2 1/2 2.5% base increase plus growth has increased significantly.

# Smaller Expense Trends

- Local receipts have only grown at half the rate as net town budget.
  - Perhaps the increases are half of what they should be, or they've occurred half as often as they should have.
  - This could create \$1m/year of extra revenue, which we could use.
  - This may be a terrible time to raise fees. Raising fees may be difficult due to state restrictions and other reasons.
- FinCom used to cut budgets by \$1-5 million each year.
  - In the 1990s the Town Manager gave FinCom budgets, but with a revenue estimate that was \$1-5m less, and we would need to meet it.
  - The situation was different in the 1990s than it is now, but that former discipline may have helped keep budgets tighter.
- We currently seem to lack the sort of savior (e.g., NESWC renegotiation, GIC) that flattened budgets in some periods in the past

# Larger Expense Trends

- School expenses
  - School expenses grow at approximately 6% per year
  - No analysis here between growth in students and growth in per-student cost
- Net town expenses grow at approximately 3% per year
  - Technology and process changes should be considered
  - A review of services offered, and staffing, with priorities, may be done
- Property tax revenues may slow with lower growth
- If the 2024 override is \$25 million, a 2029 override is more likely to be \$25 million
  - If the 2024 override is \$15 million, a 2029 override is more likely to be \$15 million

# 2024 Override Options

- Option 1: If override does not pass:
  - Cuts of \$19-33 million in FY25-28, which are 10-15% of the budget
- Option 2: Override for current costs in Long Range Plan
  - \$25 million override to last 4-5 years (versus typical \$6 million in the past)
- Option 3: Override for reduced costs from Long Range Plan
  - \$15 million override to last 4-5 years
  - Increased local receipts of \$1 million per year?
  - School cost growth reduced by \$1 million per year from Long Range Plan?
    - Increase from \$76 million in FY21 to \$94 million in FY26, instead of \$100 million
    - Reducing FY22 budget for enrollment decrease and eliminating “addition”, at start of planning period, could lower the reductions later in the planning period
  - Town cost growth reduced by \$1 million per year from Long Range Plan?
    - Increase from \$38 million in FY21 to \$41 million in FY26, instead of \$46 million

# Discussion



# Non-Contributory Budget

<u>First Name</u>	<u>Last Name</u>	<u>Position</u>	<u>7/1/2021</u>	<u>Fy 22</u>	<u>2020-2021</u>	Projected	Projected	<u>Status</u>
			<u>Opt.</u>	<u>Weekly</u>	<u>Yearly</u>	<u>FY21 Weekly</u>	<u>7/1/21-6/30/22</u>	
Lousie	Welch	N/A	N/A	363.79	\$18,917.08	\$372.44	\$19,367.08	Surv.
				\$363.79	\$18,917.08	\$372.44	\$19,367.08	








				<u>Payroll</u>	<u>OPEB</u>	
1 non-contribs	FY22	Budget	Request	\$19,367.08	\$481,983.40	Project Proposal
	FY 21	Budget	Request	\$18,917.08	\$481,983.40	
	FY 20	Budget	Request	\$18,467.48	\$481,983.00	
	FY 19	Budget	Request	\$18,017.16	\$481,982.84	
	FY 18	Budget	Request	\$55,321.12	\$444,678.88	
	FY17	Budget	Request	\$87,000.00	\$413,000.00	
	FY16	Budget	Request	\$87,000.00	\$413,000.00	
	FY 15	Budget	Request	\$96,048.20	\$403,951.80	
	FY14	Budget	Request	\$107,000.08	\$392,999.92	
	FY13	Budget	Request	\$107,123.08	\$392,876.92	
	FY12	Budget	Request	\$110,572.28	\$389,427.72	
	FY11	Budget	Request	\$156,686.92	\$343,313.08	
	FY10	Budget	Request	\$156,686.92	\$343,313.08	
	FY09	Budget	Request	\$173,894.60	\$326,105.40	
	FY08	Budget	Request	\$189,776.79	\$310,223.21	
					\$3,728,211.13	

# Meketa Allocation 12/31/2020



Town of Arlington OPEB Trust

Total Trust | As of December 31, 2020

Allocation vs. Targets						
		Current Balance	Current Allocation	Policy	Policy Range	Within IPS Range?
 US Equity		\$5,480,507	27.9%	26.0%	21.0% - 31.0%	Yes
 Developed Market Equity		\$4,718,932	24.0%	23.0%	18.0% - 28.0%	Yes
 Emerging Market Equity		\$3,060,773	15.6%	14.0%	9.0% - 19.0%	Yes
 Investment Grade Bonds		\$2,255,779	11.5%	13.0%	10.0% - 16.0%	Yes
 Short-Term Investment Grade Bonds		\$636,811	3.2%	4.0%	1.0% - 7.0%	Yes
 TIPS		\$1,863,483	9.5%	11.0%	8.0% - 14.0%	Yes
 High Yield Bonds		\$1,646,217	8.4%	9.0%	6.0% - 12.0%	Yes
<b>Total</b>		<b>\$19,662,503</b>	<b>100.0%</b>	<b>100.0%</b>		

# Meketa 12/31/2020

# MEKETA

Town of Arlington OPEB Trust

Total Trust | As of December 31, 2020

Asset Class Performance Summary										
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Trust</b>	<b>19,662,503</b>	<b>100.0</b>	<b>3.7</b>	<b>11.0</b>	<b>13.3</b>	<b>7.9</b>	<b>9.3</b>	<b>7.3</b>	<b>7.8</b>	<b>Dec-10</b>
<i>Custom Benchmark</i>			3.5	10.9	13.7	8.1	9.8	7.4	7.9	Dec-10
<i>Consumer Price Index</i>			0.1	0.1	1.4	1.9	1.9	1.7	1.7	Dec-10
<b>Domestic Equity Assets</b>	<b>5,480,507</b>	<b>27.9</b>	<b>4.5</b>	<b>14.7</b>	<b>21.0</b>	<b>14.5</b>	<b>15.4</b>	<b>13.7</b>	<b>14.4</b>	<b>Dec-10</b>
<i>Spliced Total Stock Market Index</i>			4.5	14.7	21.0	14.5	15.4	13.8	14.4	Dec-10
<b>International Developed Markets Equity Assets</b>	<b>4,718,932</b>	<b>24.0</b>	<b>5.8</b>	<b>16.9</b>	<b>10.3</b>	<b>4.8</b>	<b>8.3</b>	<b>5.1</b>	<b>5.6</b>	<b>Dec-10</b>
<i>Spliced Developed (ex. U.S.) Index</i>			5.4	17.1	10.0	4.7	8.2	5.9	6.7	Dec-10
<b>International Emerging Markets Equity Assets</b>	<b>3,060,773</b>	<b>15.6</b>	<b>5.9</b>	<b>16.9</b>	<b>15.2</b>	<b>5.8</b>	<b>11.7</b>	<b>--</b>	<b>6.2</b>	<b>Aug-13</b>
<i>Spliced Emerging Markets Index</i>			6.0	17.5	15.5	5.8	11.7	3.2	6.2	Aug-13
<b>Investment Grade Bonds Assets</b>	<b>2,255,779</b>	<b>11.5</b>	<b>0.2</b>	<b>0.7</b>	<b>7.7</b>	<b>5.4</b>	<b>4.5</b>	<b>3.7</b>	<b>3.6</b>	<b>Dec-10</b>
<i>BBgBarc US Aggregate TR</i>			0.1	0.7	7.5	5.3	4.4	3.8	3.7	Dec-10
<b>TIPS Assets</b>	<b>1,863,483</b>	<b>9.5</b>	<b>1.1</b>	<b>1.6</b>	<b>11.0</b>	<b>5.8</b>	<b>5.0</b>	<b>3.7</b>	<b>3.5</b>	<b>Dec-10</b>
<i>BBgBarc US TIPS TR</i>			1.1	1.6	11.0	5.9	5.1	3.8	3.6	Dec-10
<b>High Yield Bond Assets</b>	<b>1,646,217</b>	<b>8.4</b>	<b>1.2</b>	<b>4.6</b>	<b>5.4</b>	<b>5.9</b>	<b>7.2</b>	<b>6.5</b>	<b>6.6</b>	<b>Dec-10</b>
<i>Vanguard High Yield Custom Benchmark</i>			1.5	5.4	7.5	6.6	7.9	6.6	6.6	Dec-10
<b>Short-Term Bond Assets</b>	<b>636,811</b>	<b>3.2</b>	<b>0.1</b>	<b>0.3</b>	<b>4.7</b>	<b>3.6</b>	<b>2.7</b>	<b>--</b>	<b>2.2</b>	<b>Aug-13</b>
<i>BBgBarc US Govt/Credit 1-5 Yr. TR</i>			0.2	0.3	4.7	3.7	2.8	2.2	2.2	Aug-13

# FY 2022 Funding Schedule

Fiscal Year	Normal Cost	Unfunded Liability*	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution**	% Change
2022	3,092,471	144,553,451	11,644,370	(109,786)	14,627,054	6.00%
2023	3,231,632	139,564,326	12,382,832	(109,786)	15,504,677	6.00%
2024	3,377,056	136,375,351	13,167,689	(109,786)	16,434,958	6.00%
2025	3,529,023	128,592,923	14,001,819	(109,786)	17,421,056	6.00%
2026	3,687,829	122,612,481	14,888,276	(109,786)	18,466,319	6.00%
2027	3,853,782	115,264,900	15,830,303	(109,786)	19,574,298	6.00%
2028	4,027,202	106,395,019	16,831,341	(109,786)	20,748,756	6.00%
2029	4,208,426	95,833,135	17,895,042	(109,786)	21,993,681	6.00%
2030	4,397,805	83,393,760	19,025,284	(109,786)	23,313,302	6.00%
2031	4,595,706	68,874,270	20,226,181	(109,786)	24,712,100	6.00%
2032	4,802,513	52,053,456	21,502,100	(109,786)	26,194,826	6.00%
2033	5,018,626	32,689,951	22,857,676	(109,786)	27,766,516	6.00%
2034	5,244,464	10,520,534	10,520,534	(109,786)	15,655,211	-43.62%
2035	5,480,465	-	-	(109,786)	5,370,679	-65.69%

## Amortization of Unfunded Liability as of July 1, 2021

\* Includes recognition of the following asset gains/(losses) in Fiscal 2023 through 2025:

2023	2,648,391
2024	(291,152)
2025	3,239,276

\*\* Contributions are set to be the amount resulting from a 6% increase on the prior year's contribution. The contribution in FY2034 decreases by -43.62%.

### Bases in the funding schedule:

- Amortization of the unfunded actuarial accrued liability: 13 years.

# FY 2022 Appropriation Letter

## PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

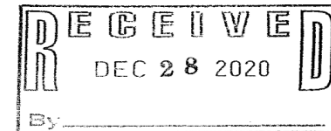
PHILIP Y. BROWN, ESQ., *Chairman*

JOHN W. PARSONS, ESQ., *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

### MEMORANDUM

TO: Arlington Retirement Board  
FROM: John W. Parsons, Esq., Executive Director  
RE: Appropriation for Fiscal Year 2022  
DATE: December 10, 2020



Required Fiscal Year 2022 Appropriation: **\$14,627,054**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2022 which commences July 1, 2021.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2022 appropriation to be paid by each of the governmental units within your system.

The current schedule is due to be updated by Fiscal Year 2023.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446 Extension 935.

JWP/jfb  
Attachments

cc: Town Manager  
Town Meeting  
c/o Town Clerk

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# FY 2022 Appropriation Breakdown Letter

**Arlington Retirement Board**  
Appropriation by Governmental Unit

Fiscal Year 2022 - July 1, 2021 to June 30, 2022

Aggregate amount of appropriation: **\$14,627,054**

UNIT	Percent of Aggregate Amount	Funding Schedule (excluding ERI)	ERI	Total Appropriation
Town and School	96.00%	\$14,041,972	\$0	\$14,041,972
Arlington Housing Authority	4.00%	\$585,082	\$0	\$585,082
<b>UNIT TOTAL</b>	<b>100%</b>	<b>\$14,627,054</b>	<b>\$ 0</b>	<b>\$14,627,054</b>

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

# PRIM's PRIT Fund Performance

<b>PENSION RESERVES INVESTMENT TRUST</b> <b>SUMMARY OF PLAN PERFORMANCE</b> <b>RATES OF RETURN (GROSS OF FEES)</b> <b>Periods Ending December 31, 2020</b>											
	NAV \$ (000)	Target Allocation Range	Actual Allocation %	Month	QTD	FY '21	1 Year	3 Year	5 Year	10 Year	Since Inception
GLOBAL EQUITY	37,506,190	34 - 44%	43.3%	5.29	16.61	25.82	15.93	9.71	12.54	9.56	6.92
CORE FIXED INCOME	13,664,474	12 - 18%	15.8%	0.08	0.08	1.39	12.11	7.38	6.32	5.54	7.41
VALUE ADDED FIXED INCOME	6,398,505	5 - 11%	7.4%	3.02	5.68	11.26	4.53	4.77	6.90	5.67	7.81
PRIVATE EQUITY	10,936,873	10 - 16%	12.6%	11.59	11.49	30.22	26.42	20.98	20.16	19.10	15.36
REAL ESTATE	7,161,984	7 - 13%	8.3%	1.59	4.14	5.48	1.13	5.87	6.85	9.68	6.57
TIMBERLAND	2,831,799	1 - 7%	3.3%	2.20	2.54	3.25	3.54	2.38	4.38	4.75	8.00
PORTFOLIO COMPLETION STRATEGIES	7,624,951	8 - 14%	8.8%	3.07	5.50	7.98	0.84	1.99	3.63	3.97	4.20
OVERLAY	494,337	0.0%	0.6%	2.95	9.29	11.88	14.85	6.18	6.97		5.97
<b>TOTAL CORE</b>	<b>86,686,991</b>	<b>100%</b>	<b>100%</b>	<b>4.38</b>	<b>9.76</b>	<b>16.58</b>	<b>12.57</b>	<b>8.82</b>	<b>10.38</b>	<b>8.94</b>	<b>9.50</b>
INTERIM BENCHMARK (using private equity and private debt returns) <sup>1</sup>				4.09	9.36	15.57	12.65	8.83	10.14	8.34	9.87
TOTAL CORE BENCHMARK (using private equity and private debt benchmark) <sup>2</sup>				2.74	8.19	12.48	10.79	7.96	9.49	7.58	9.68
PARTICIPANTS CASH	220,648			0.01	0.03	0.07	0.56	1.64	1.33	0.74	3.59
TEACHERS' AND EMPLOYEES' CASH	8,953			0.01	0.03	0.07	0.56	1.62	1.32	0.73	2.43
<b>TOTAL FUND</b>	<b>86,916,592</b>			<b>4.37</b>	<b>9.72</b>	<b>16.53</b>	<b>12.53</b>	<b>8.80</b>	<b>10.35</b>	<b>8.91</b>	<b>9.54</b>

# PRIT - Arlington



## Pension Reserves Investment Management Board

84 State Street, Suite 250  
Boston, Massachusetts 02109

Deborah B. Goldberg, Treasurer and Receiver General, Chair  
Michael G. Trotsky, CFA, Executive Director

### Arlington Retirement System General Allocation Account December 01, 2020 to December 31, 2020

Your beginning net asset value for the period was:

Your change in investment value for the period was:

Your exchanges from (to) the Cash Fund for the period were:

Your ending net asset value for the period was:

Month To Date	Fiscal Year To Date	Calendar Year To Date
178,582,693.24	152,220,296.62	165,458,441.25
7,597,564.12	25,959,902.33	19,921,757.70
(1,200,000.00)	6,800,058.41	(399,941.59)
<b>184,980,257.36</b>	<b>184,980,257.36</b>	<b>184,980,257.36</b>

Net Change in Investment Value represents the net change through investment activities as follows:

Gross Investment Income:

Less Management Fees:

Net Investment Income:

Net Fund Unrealized Gains/Losses:

Net Fund Realized Gains/Losses:

Net Change in Investment Value as Above:

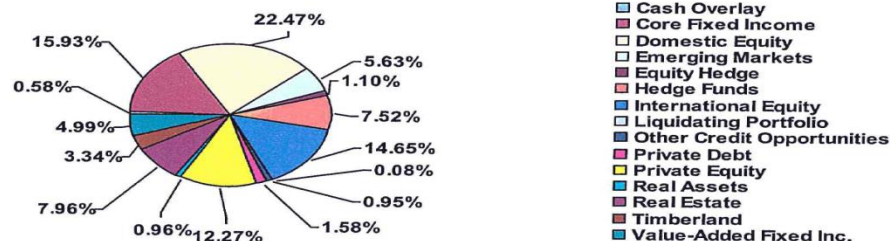
570,264.41	1,971,625.29	3,741,598.91
(165,110.39)	(415,631.46)	(800,635.07)
405,154.02	1,555,993.83	2,940,963.84
5,558,517.01	18,443,113.65	10,033,030.65
1,633,893.09	5,960,794.85	6,947,763.21
<b>7,597,564.12</b>	<b>25,959,902.33</b>	<b>19,921,757.70</b>

As of December 31, 2020 the net asset value of your investment in the PRIT Fund was:

**\$184,980,257.36**

### PRIT Fund Core Asset Allocation

As of December 31, 2020



If you have any questions regarding your statement, please contact your Senior Client Services Officer Paul Todisco (617) 946-8423.  
A detailed statement of your account is attached to this summary sheet.



# 2021 Expense Budgets

	2017	2018	2019	2020	2021
<b><u>Salaries</u></b>					
Board Members (5)	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500
Custodian of Funds	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
<b><u>Staff</u></b>					
Retirement Administrator	\$104,410	\$106,498	\$108,628	\$110,801	\$111,909
Assistant Administrator	\$56,738	\$57,874	\$59,031	\$60,212	\$64,000
Overtime, Temp	\$1,500	\$1,500	\$2,500	\$2,500	\$2,500
Longevity	\$5,402	\$5,510	\$5,620	\$6,335	\$7,676
<b><u>Other Expenses</u></b>					
Legal	\$14,500	\$13,500	\$13,500	\$12,000	\$11,000
Supplies	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Postage	\$10,000	\$7,500	\$8,000	\$8,000	\$8,000
Meetings & Dues	\$14,000	\$14,000	\$14,000	\$13,000	\$13,000
Insurance	\$11,500	\$11,500	\$12,000	\$13,000	\$14,100
Office Equipment	\$8,000	\$8,000	\$8,000	\$8,000	\$6,000
Service Contract					\$4,900
Medical Expenses	\$600	\$800	\$700	\$700	\$800
Pension Technology	\$24,000	\$25,000	\$25,000	\$26,660	\$27,985
Employee Portal PTG	\$3,150	\$3,200	\$3,300	\$3,150	\$3,150
PTG Scanning	0	\$0	\$4,000	\$4,000	\$4,000
Rent	\$15,343	\$15,500	\$16,000	\$15,000	\$18,759
Powers and Sullivan	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
<b><u>Consulting &amp; Fees</u></b>					
Actuarial valuation	\$20,000	\$25,000	\$25,000	\$26,000	\$15,175
OPEB valuation					\$10,000
OPEB consulting	\$21,000	\$26,000	\$28,000	\$28,000	\$31,000
Health Ins/Staff	\$40,543	\$41,000	\$41,000	\$49,920	\$46,010
<b>Total</b>					
<b>Actuarial Budget</b>	<b>\$387,186</b>	<b>\$398,882</b>	<b>\$410,779</b>	<b>\$423,778</b>	<b>\$436,464</b>
		<b>3.02%</b>	<b>2.98%</b>	<b>3.16%</b>	<b>2.99%</b>
<b><u>Investment</u></b>					
Alt. investments IV	\$20,000	\$20,000	\$5,000	\$5,000	\$0
Alt. investments VII	\$37,500	\$37,500	\$37,500	\$37,500	\$17,500
Custodian	\$16,000	\$17,000	\$17,000	\$17,000	\$18,000
PRIT	\$825,000	\$851,850	\$864,000	\$864,000	\$982,800
<b>Total Investment</b>					
<b>Mgmt Budget</b>	<b>\$898,500</b>	<b>\$926,350</b>	<b>\$923,500</b>	<b>\$923,500</b>	<b>\$1,018,300</b>
<b>Total</b>					
<b>Operating Budget</b>	<b>\$1,285,686</b>	<b>\$1,325,232</b>	<b>\$1,334,279</b>	<b>\$1,347,278</b>	<b>\$1,454,764</b>

# Town of Arlington OPEB Trust

Meeting Materials  
January 27, 2021

## Fund Evaluation Report

## Agenda

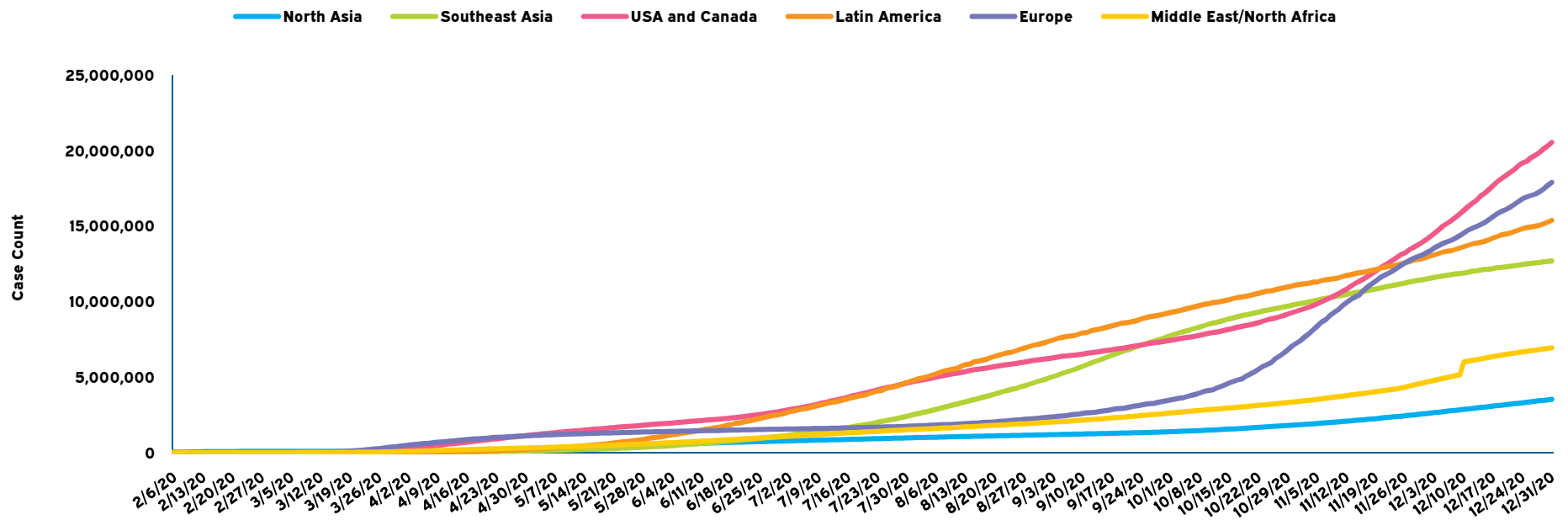
1. Economic and Market Update Data as of December 31, 2020
2. Performance Update as of December 31, 2020
3. Current Issues
  - Asset Allocation Update
4. Appendices
  - Disclaimer, Glossary, and Notes

# Economic and Market Update

Data as of December 31, 2020



### Case Count by Select Region<sup>1,2</sup>



- Cases of COVID-19 continue to grow globally, with over 95 million reported cases across 191 countries.
- The US still has the highest number of infections, with Europe collectively following given the recent spike in cases there. India and Brazil also continue to struggle with the virus.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2020.

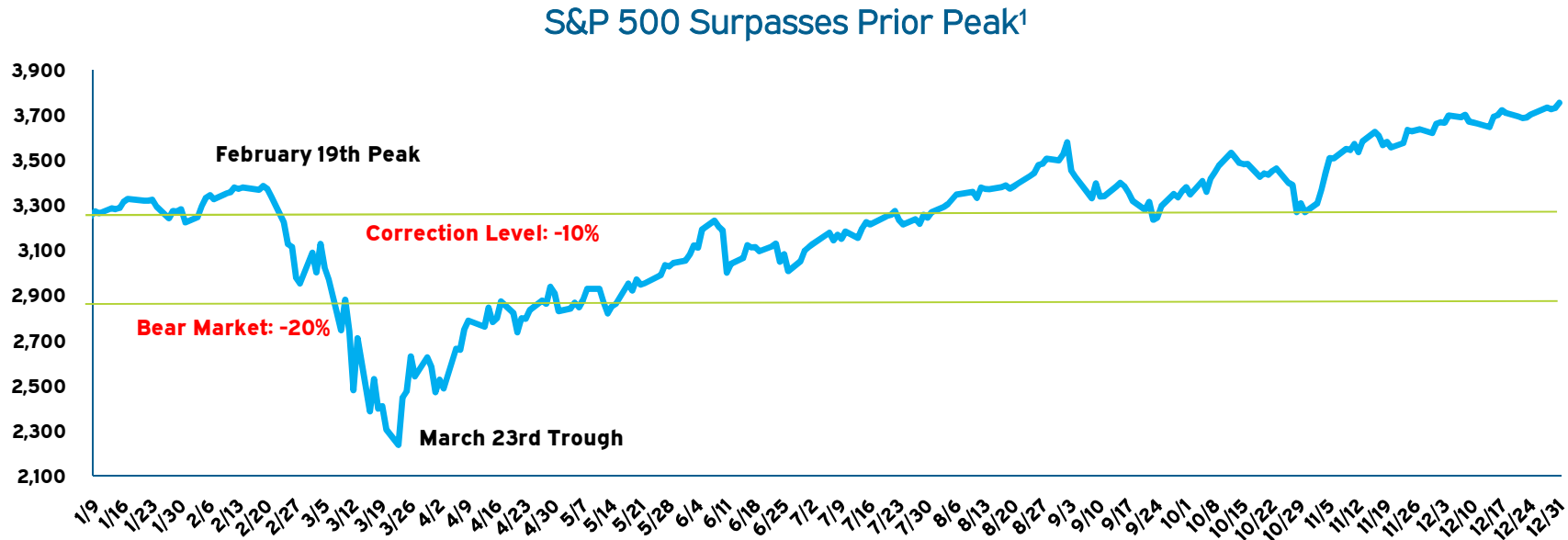
<sup>2</sup> North Asia: China, Hong Kong, Japan, Russia, South Korea, and Taiwan. Southeast Asia: Singapore, India, Indonesia, Malaysia, Pakistan, Philippines, Thailand, Bangladesh, Sri Lanka, and Vietnam. Europe: Austria, Belarus, Bulgaria, Croatia, Czech Republic, Denmark, France, Germany, Hungary, Italy, Netherlands, Norway, Poland, Romania, Spain, Sweden, United Kingdom, Switzerland, and Ukraine. Latin America: Chile, Brazil, Mexico, Argentina, Colombia, Peru, Venezuela, Ecuador, Panama, Paraguay, Costa Rica, Bolivia, Uruguay, El Salvador, Honduras, Cuba, Dominican Republic, Haiti, and Nicaragua. Middle East/North Africa: Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Turkey, Tunisia, United Arab Emirates, and Yemen.

### Market Returns<sup>1</sup>

Indices	December	1 Year	3 Year	5 Year	10 Year
S&P 500	3.8%	18.4%	14.1%	15.2%	13.9%
MSCI EAFE	4.7%	7.8%	4.3%	7.4%	5.5%
MSCI Emerging Markets	7.4%	18.3%	6.2%	12.8%	3.6%
MSCI China	2.8%	29.5%	9.1%	15.1%	7.6%
Bloomberg Barclays Aggregate	0.1%	7.5%	5.3%	4.4%	3.8%
Bloomberg Barclays TIPS	1.2%	11.0%	5.9%	5.1%	3.8%
Bloomberg Barclays High Yield	1.9%	7.1%	6.2%	8.6%	6.8%
10-year US Treasury	-0.6%	10.6%	6.6%	4.1%	4.4%
30-year US Treasury	-1.5%	18.7%	10.9%	7.8%	8.3%

- In December, equities, particularly emerging markets, continued to do well given progress on a US fiscal package, the passing of the US presidential election, and positive developments regarding a COVID-19 vaccine. The yield curve steepened, weighing on Treasury prices.
- For the year, global risk assets recovered meaningfully from their declines to finish in strong positive territory, largely driven by record fiscal and monetary policy stimulus and much more certainty related to the containment of the virus.
- US equities and longer-dated Treasuries performed particularly well in 2020 given policy support. Equities in China likewise performed well as China contained the virus and consequently started the reopening of their economy earlier than others. European and Japanese equity markets lagged behind the US and emerging markets.

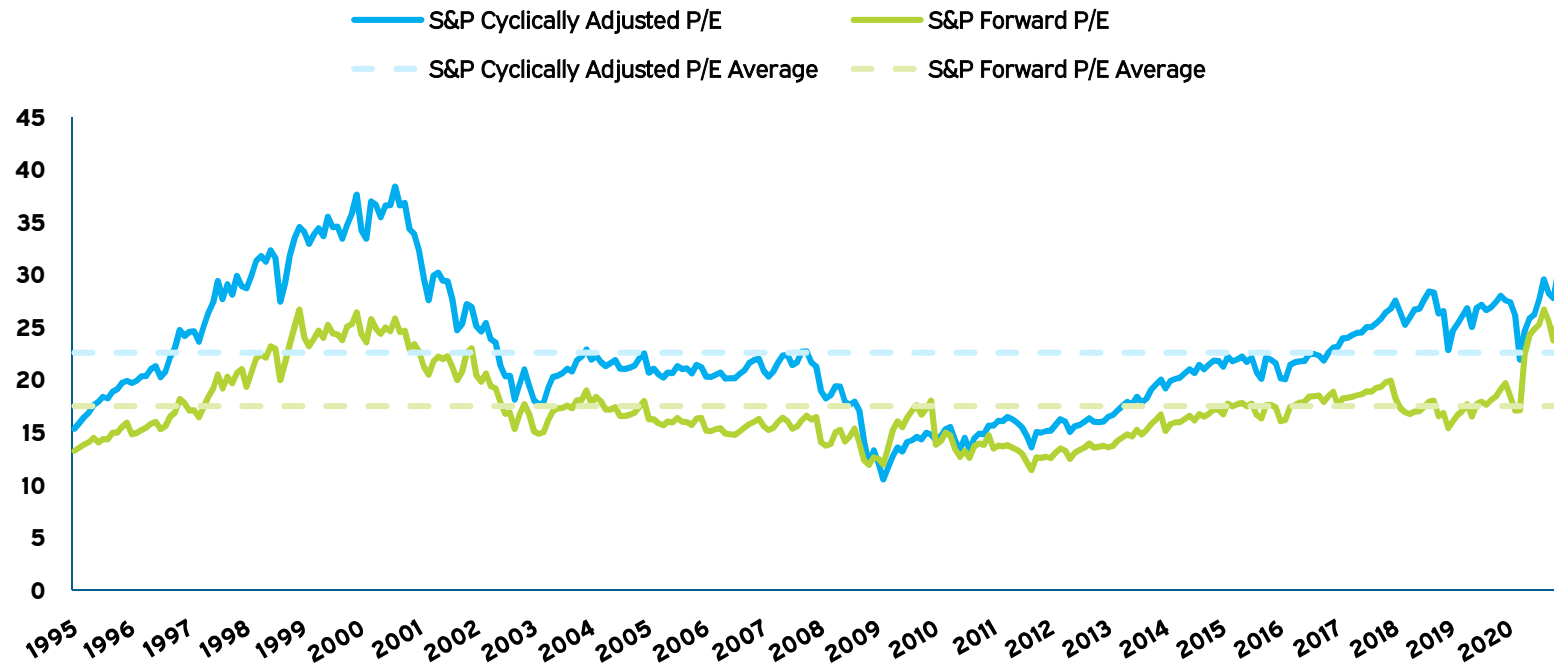
<sup>1</sup> Source: InvestorForce and Bloomberg. Data is as of December 31, 2020.



- Given the anticipated economic disruption surrounding the pandemic, US stocks declined from a February peak into bear market (-20%) territory at the fastest pace in history.
- From the February 19 peak, the S&P 500 plunged 34% in just 24 trading days.
- After quickly rebounding from its lows and finishing above pre-COVID levels by August, the market appreciated 3.8% in December, bringing its year-to-date gain to 18.4%.
- A key risk going forward remains that a spike in COVID-19 cases could slow, or reverse, reopening plans. The distribution process of the vaccine and people's willingness to take it will be important as well.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2020.

### S&P Equity Valuations<sup>1</sup>

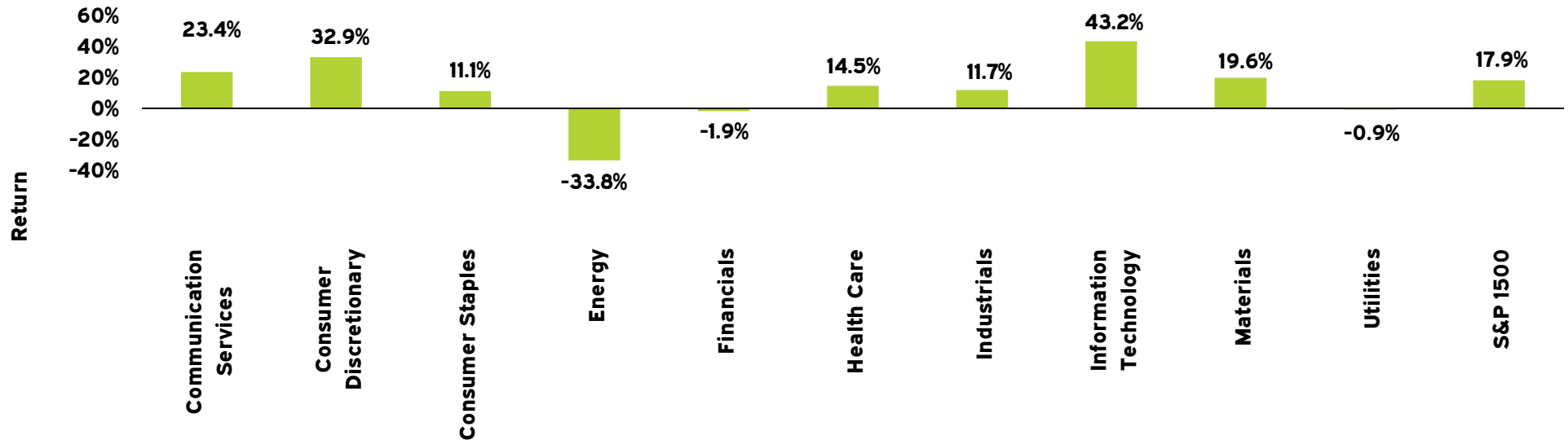


- With positive developments regarding COVID vaccines, valuations based on both forward- and backward-looking earnings rose to levels not seen since 2001.
- Many are looking to expected improvements in earnings growth, as the US economy continues to reopen, to justify market levels, with historically low interest rates also providing support.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2020.



### 2020 Sector Returns<sup>1</sup>

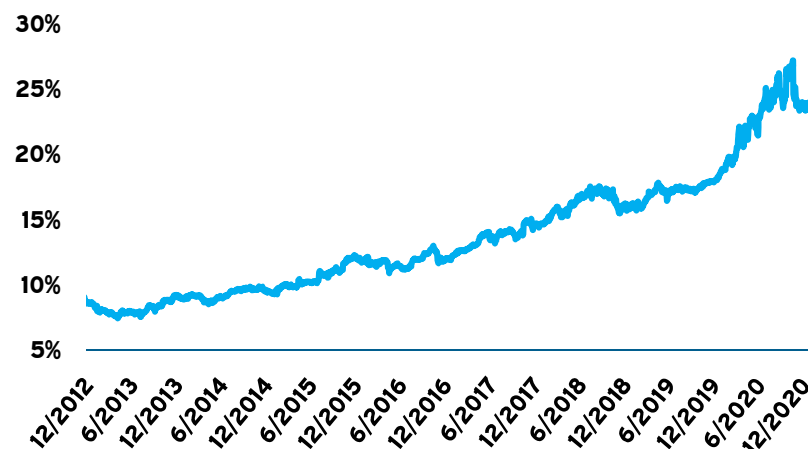


- With the recent development of multiple vaccines, there have been signs of a rotation into more cyclical stocks, but stay-at-home focused areas performed best in 2020.
- Information technology was the best performing sector, with a narrow group of companies including Amazon and Netflix driving market gains. The outperformance was due to consumers moving to online purchases and streaming services.
- The consumer discretionary sector also experienced gains as the economy reopened, people returned to work, and stimulus checks were spent.
- Energy was the sector with the greatest 2020 decline, triggered by the plunge in oil prices. Financials also struggled in this slow growth environment with demand for loans down and low interest rates weighing on loan revenue.

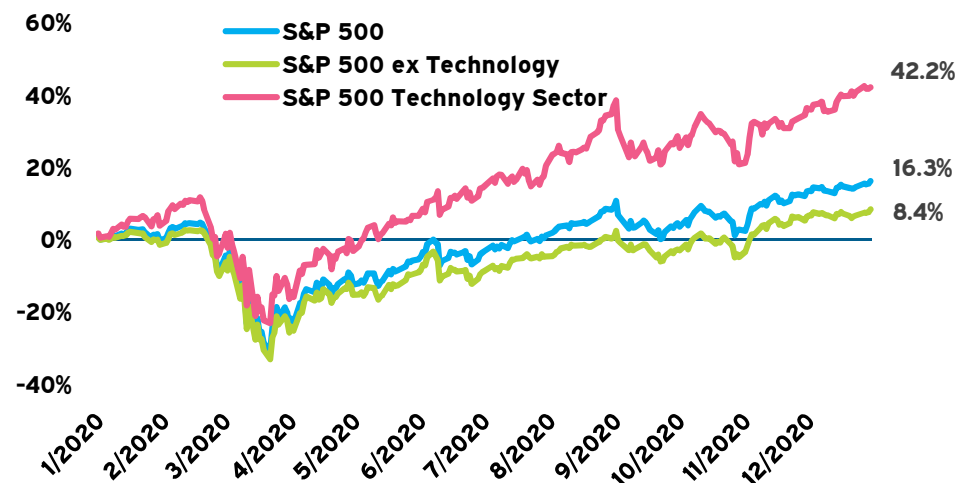
<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2020.

### Technology has led the way in the Rebound

FAANG+M Share of S&P 500<sup>1</sup>



Returns Year to Date through December 31<sup>2</sup>

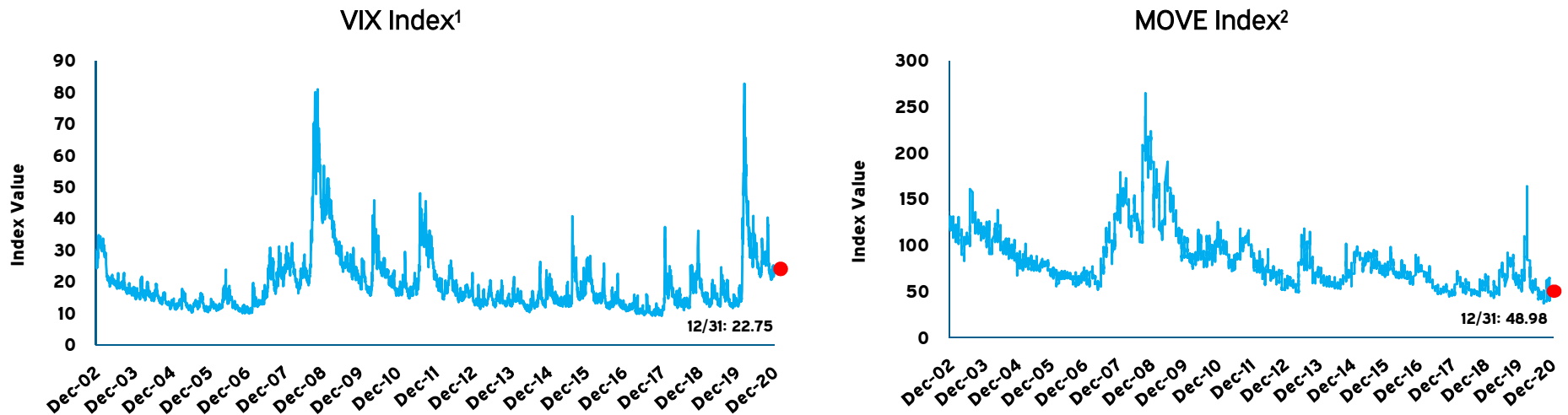


- The market recovery was largely been driven by a few technology companies that benefited from the stay-at-home environment related to the virus.
- In 2020, the S&P 500 technology sector returned +42.2%, compared to +8.4% for the S&P 500 ex-technology index, with Amazon (+76%), Netflix (+67%), and Apple (+81%) posting especially strong results.
- The outsized relative returns of these companies caused them to comprise an increasingly large portion (23%) of the S&P 500, though this trend reversed in the final months of 2020.

<sup>1</sup> FAANG+M = Facebook, Amazon, Apple, Netflix, Google (Alphabet), and Microsoft. The percentage represents the aggregate market capitalization of the 6 companies compared to the total market capitalization of the S&P 500 as of December 31, 2020.

<sup>2</sup> Each data point represents the price change relative to the 12/31/2019 starting value.

### Volatility has Declined



- Expectations of short-term equity volatility, as measured by the VIX index, finished the year much lower than the record levels experienced in March.
- At the March peak, the VIX reached 82.7, surpassing the pinnacle of volatility during the GFC, thus showing the magnitude of the crisis and of investor fear.
- Expectations of volatility within fixed income, as represented by the MOVE index, also spiked earlier in 2020, then dropped to historic lows, helped by the broad level of monetary support and forward guidance by the Fed. Volatility expectations in fixed income increased slightly in December, with the uncertainty around the Georgia Senate race looming in early January.

<sup>1</sup> Source: Chicago Board of Exchange. Data is as of December 31, 2020.

<sup>2</sup> Source: Bloomberg. Data is as of December 31, 2020.

## Key Elements of the Next Round of US Fiscal Stimulus

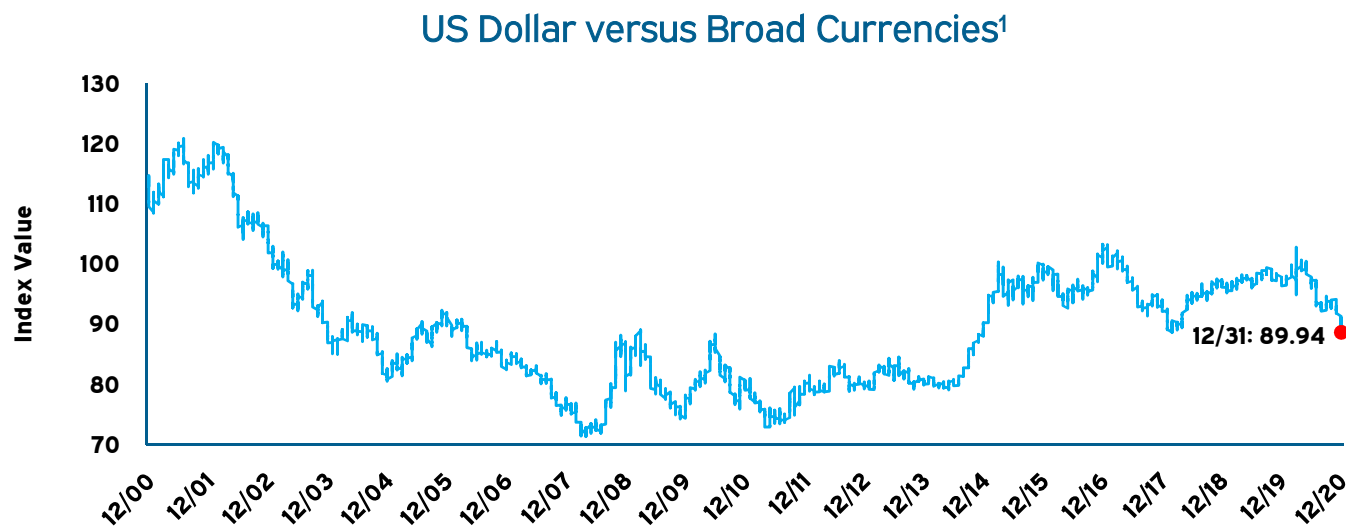
Joint Proposal	
Status	Final (voted on by house, senate and signed by President)
Direct Payments	Up to \$600 for individuals or \$1,200 for married couples and up to \$600 for each qualifying child.
Enhanced Unemployment	\$300 per week until mid-March
Vaccines, testing and tracing	\$69 billion
School aid	\$82 billion
Transportation	\$45 billion
Food / Agriculture aid	\$26 billion
Rental Assistance	\$25 billion
	Extends the eviction moratorium now in effect until Jan. 31.
State and Local Aid/Liability Protections	Excluded
Small Business Relief	\$325 billion (\$284 billion in paycheck protection)
Total	\$900 billion

- Another round of fiscal stimulus totaling ~\$900 billion, representing the second largest package in history, was finalized in late December.
- It includes direct payments to individuals, enhanced unemployment benefits, small business support, and a variety of other allocations.
- The relief was much needed for the many who lost their jobs and for businesses, particularly services like restaurants, trying to survive.
- A further \$1.9 trillion in stimulus has been outlined by the incoming Biden Administration. The package includes additional direct payments, enhanced unemployment benefits, a \$15 dollar minimum wage, extending further the eviction moratorium, and state and local aid.

## Election Results Lead to a Narrowly Democratic Majority

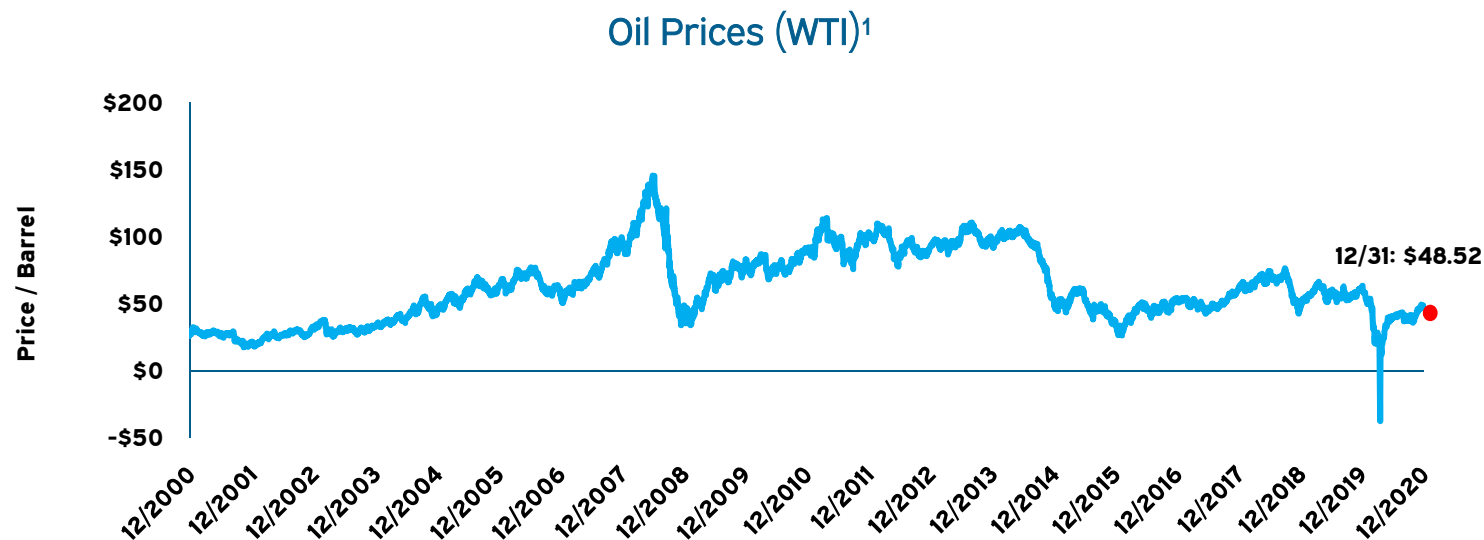
Result		Change from Previous	Potential Implications
Presidency	<ul style="list-style-type: none"> <li>Democratic victory.</li> </ul>	<ul style="list-style-type: none"> <li>Donald Trump, Republican, left office January 20th.</li> </ul>	<ul style="list-style-type: none"> <li>Day one executive actions announced to set new 12 person COVID-19 task force, rejoin the WHO, repeal Muslim travel ban, reinstate DACA program, and rejoin Paris climate accord.</li> <li>Biden listed other priorities on the campaign trail that include addressing systemic racism, climate change, and expanding protections for union employees.</li> <li>Additional plans include bills for infrastructure, trade, foreign policy, and tax increases, that all seem more likely given the results of the recent senate elections in Georgia.</li> </ul>
Senate	<ul style="list-style-type: none"> <li>50 seats for the Democrats.</li> <li>50 seats for the Republicans.</li> </ul>	<ul style="list-style-type: none"> <li>Democrats picked up 4 seats.</li> <li>Democrats won an unlikely, double run off in Georgia and obtained an effective majority with Vice President Harris casting the tiebreaking vote.</li> </ul>	<ul style="list-style-type: none"> <li>Biden's agenda is particularly impacted by a united Senate and Congress in a few key areas, namely the next round of fiscal stimulus (greater amount), cabinet appointments (more liberal), tax reform (more rollbacks of Trump cuts), and infrastructure spending (more green, higher in amount).</li> </ul>
House	<ul style="list-style-type: none"> <li>Democratic majority maintained.</li> <li>As of January 13<sup>th</sup> 222 seats for Democrats, 211 seats for Republicans, and 2 undecided.</li> </ul>	<ul style="list-style-type: none"> <li>Heading into the November 3, 2020, election, Democrats held a 232-197 advantage in the US House. Libertarians held one seat, and five seats were vacant.</li> </ul>	<ul style="list-style-type: none"> <li>While the Democrats maintained their majority and therefore control of the agenda, Republicans gained ground, setting up a battle for the midterms in 2022.</li> <li>Nancy Pelosi remains Speaker of the House.</li> </ul>

- After much turmoil, including a storming of the US Capitol, Joe Biden was confirmed by Congress as the winner of the presidential election.
- Two run-off elections in Georgia took place in January, with Democrats winning both seats and taking a narrow Senate majority (Vice President Kamala Harris will cast the deciding vote).
- The Democratic majority sets the stage for a decidedly more liberal agenda with a higher likelihood of a large fiscal stimulus package in the coming months.



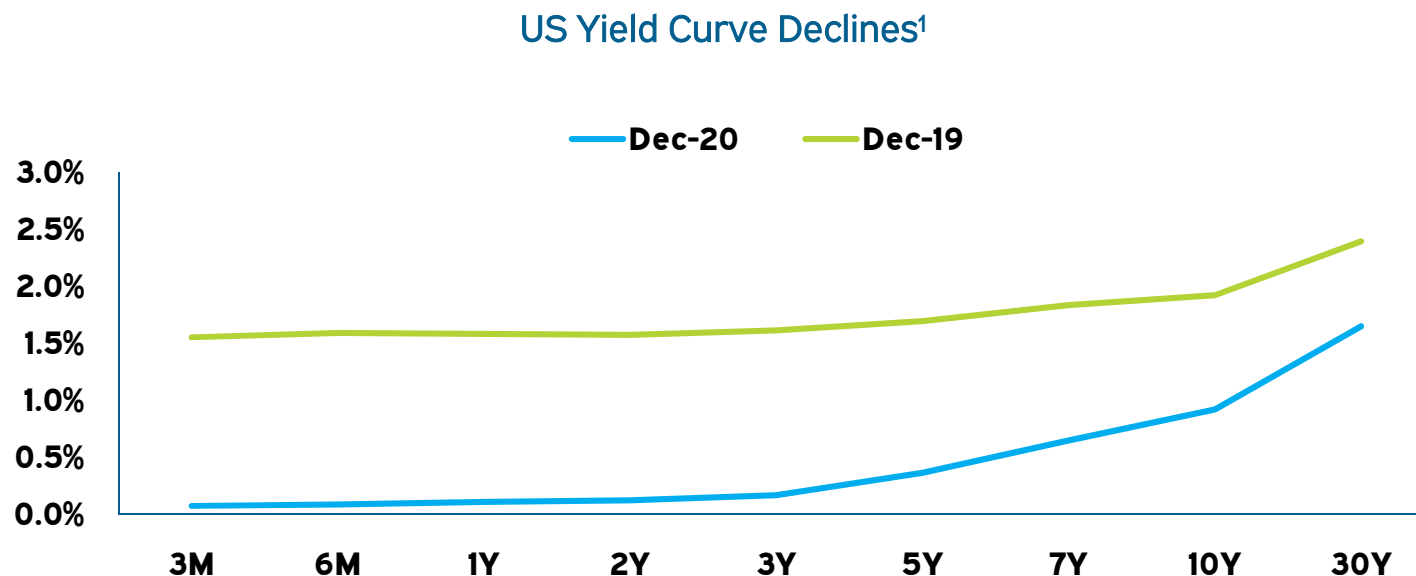
- As the crisis grew into a pandemic, investors' preferences shifted to holding US dollars and highly liquid, short-term securities like US Treasury bills.
- Recently we have seen some weakness in the dollar as the US struggles with containing the virus and investors seek higher growth non-US assets, particularly in emerging markets. This has created pressures on already stressed export-focused countries.
- Going forward, the dollar's safe haven quality and the relatively higher rates in the US could provide support.

<sup>1</sup> Source: Bloomberg. Represents the DXY Index. Data is as of December 31, 2020.



- While global oil prices rallied from April lows, they remain below their pre-pandemic level.
- In a surprise early January announcement, Saudi Arabia agreed to cut oil production by 1 million barrels/day in February and March. Other OPEC+ countries will continue production at current levels, with the exception of Russia and Kazakhstan, which will slightly increase output.
- Looking forward, global economies slowly reopening in 2021, a weaker US dollar, and production cuts should be supportive for prices. However, oil could experience renewed downward pressure in the short-term, with the increasing virus spread potentially weighing on demand.

<sup>1</sup> Source: Bloomberg. Represents WTI first available futures contract. Data is as of December 31, 2020.

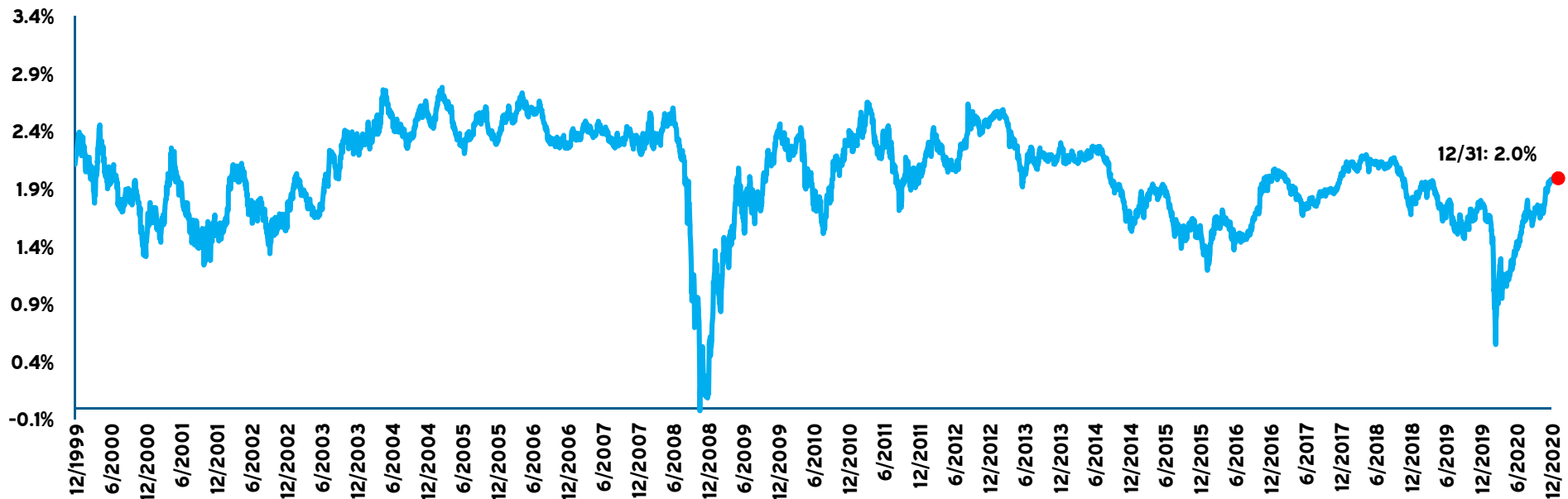


- The US Treasury yield curve declined materially during 2020, driven by safe-haven demand, Federal Reserve policies (policy rate cuts and the quantitative easing program), and weak US economic fundamentals.
- Over the last few months, the curve steepened on gradual signs of economic improvement, vaccine developments, and expectations for longer-dated Treasury issuance to support additional fiscal stimulus in the coming months.
- Higher yields relative to other countries and the Fed potentially extending the duration of their purchases could counterbalance steepening trends.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2020.



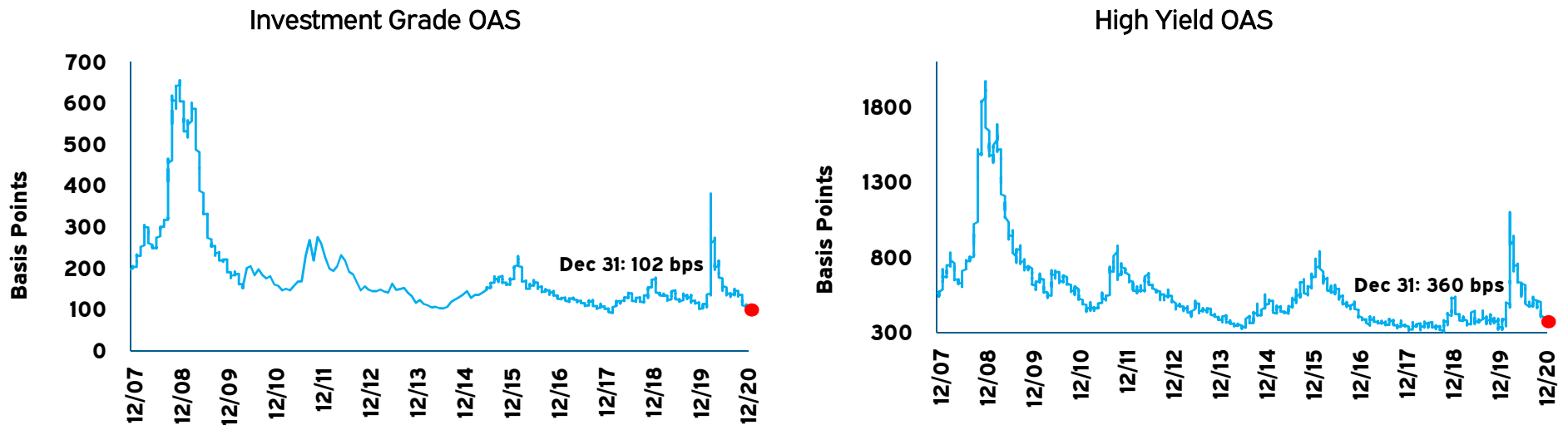
### 10-Year Breakeven Inflation<sup>1</sup>



- Inflation breakeven rates initially declined sharply, due to a combination of lower growth and inflation expectations, as well as liquidity dynamics in TIPS during the height of market volatility.
- Liquidity eventually improved and breakeven rates increased as deflationary concerns moderated. Recently, inflation expectations continued to increase given the vaccine announcements.
- Looking forward, the track of economic growth and the inflationary effects of the unprecedented US fiscal response will be key issues.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2020.

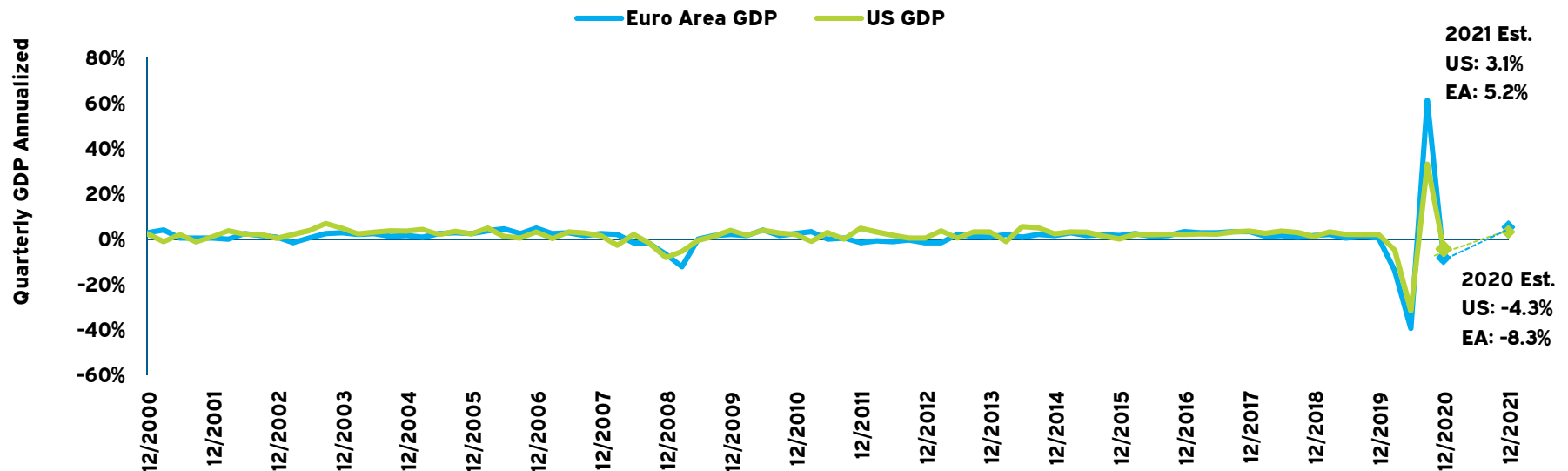
### Credit Spreads (High Yield & Investment Grade)<sup>1</sup>



- Credit spreads (the spread above a comparable Treasury) for investment grade and high yield corporate debt widened sharply at the start of the pandemic as investors sought safety.
- Investment grade bonds held up better than high yield bonds. The Federal Reserve's corporate debt purchase program for investment grade and certain high yield securities recently downgraded from investment grade, was well received by investors. The policy support and the search for yield in the low rate environment led to a decline in spreads to below long-term averages.
- Overall, corporate debt issuance has more than doubled since 2008, which magnifies the impact of deterioration in the corporate debt market. This is particularly true in the energy sector, which represents over 10% of the high yield bond market.

<sup>1</sup> Source: Federal Reserve Bank of St. Louis Economic Research. Data is as of December 31, 2020.

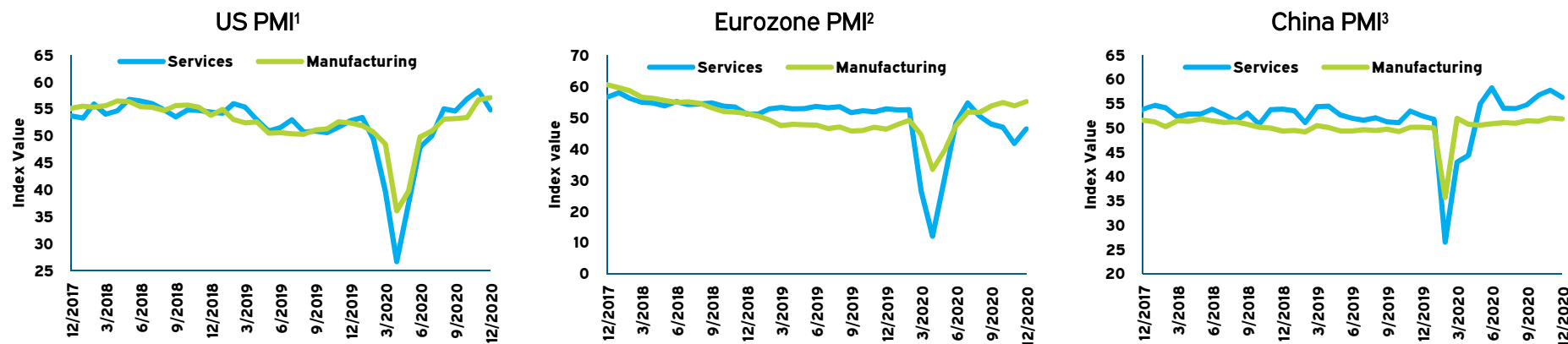
### GDP Data Shows Impact of the Pandemic<sup>1</sup>



- The global economy faced major recessionary pressures this year, but optimism remains for improvements in 2021, as economies are expected to gradually reopen despite the recent spike in virus cases.
- Historic declines in growth in the US and Europe during the second quarter were followed by record increases in the third quarter, due to pent up demand from the lockdown measures earlier in the year.
- Recently, GDPNow from the Atlanta Fed estimated that fourth quarter US GDP growth could be 7.4% (QoQ annualized), down from original estimates. Full year US GDP growth is forecasted to decline by 4.3% by the IMF.

<sup>1</sup> Source: Bloomberg, Atlanta FED and IMF. Q3 2020 data represents the second estimate of GDP for the Euro Area and United States. Euro Area figures annualized by Meketa. Projections via October 2020 IMF World Economic Outlook and represent annual numbers.

### Global PMIs

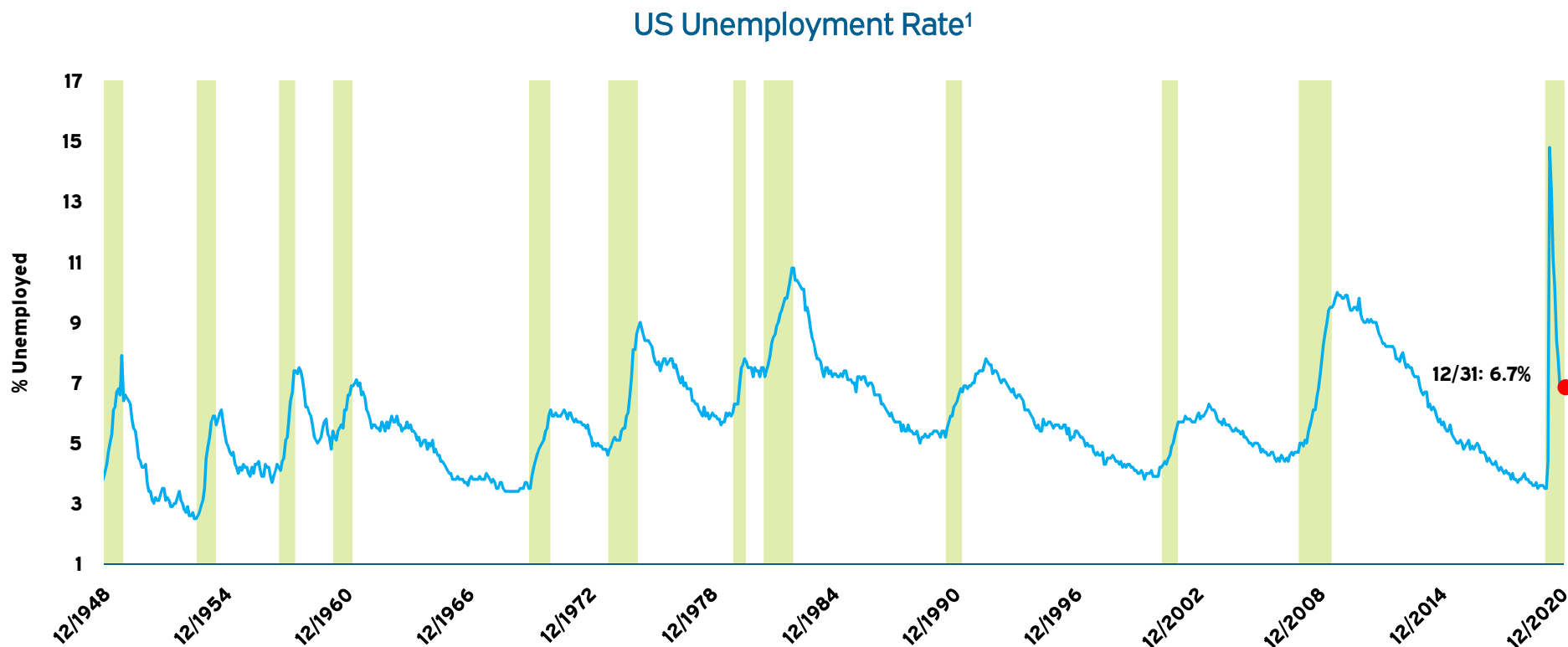


- Purchasing Managers Indices (PMI), based on surveys of private sector companies, initially collapsed across the world to record lows, as closed economies depressed output, new orders, production, and employment.
- Readings below 50 represent contractions across underlying components are a leading indicator of economic activity, including the future paths of GDP, employment, and industrial production.
- The services sector was particularly hard hit by stay-at-home restrictions in many places.
- As the Chinese economy reopened, their PMIs, particularly in the service sector, recovered materially. In the US, the indices have also improved from their lows to above contraction levels. In Europe, manufacturing has largely recovered, but services continue to show weakness due to increased lockdowns.

<sup>1</sup> Source: Bloomberg. US Markit Services and Manufacturing PMI. Data is as of December 2020.

<sup>2</sup> Source: Bloomberg. Eurozone Markit Services and Manufacturing PMI. Data is as of December 2020.

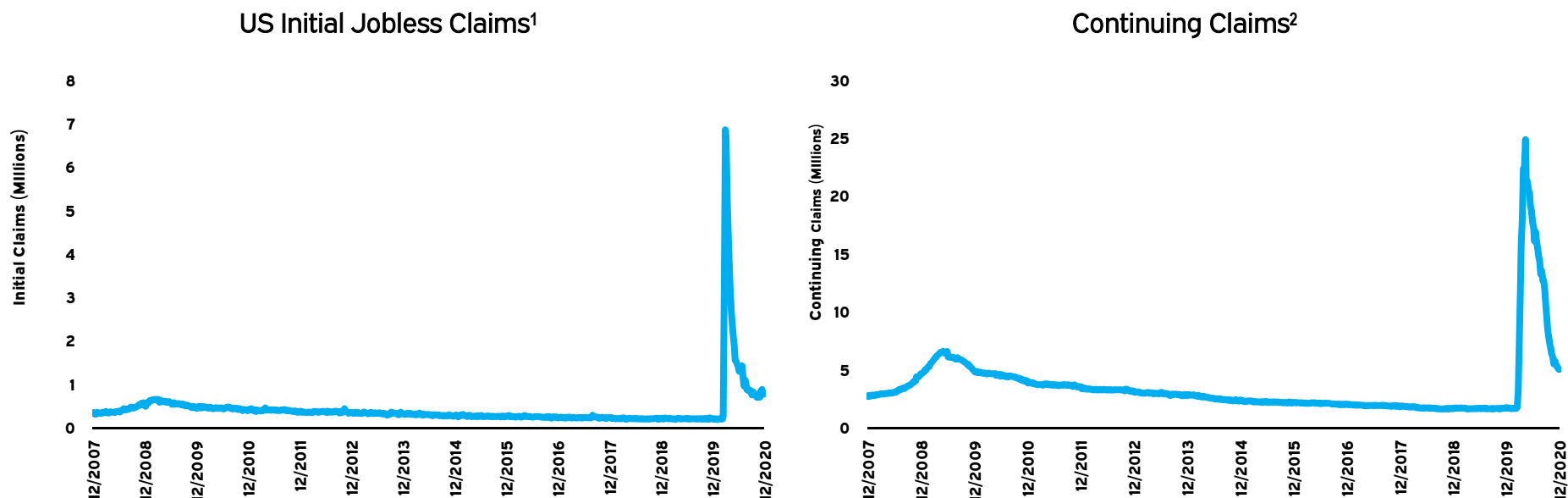
<sup>3</sup> Source: Bloomberg. Caixin Services and Manufacturing PMI. Data is as of December 2020.



- In December, the unemployment rate continued its decline from the recent April 14.7% peak, falling to 6.7%.
- Despite the improvement, unemployment levels remain well above pre-virus readings and are likely higher than reported, as some workers appear misclassified. According to the Bureau of Labor Statistics, absent the misclassification issue, the December unemployment rate would be higher by 0.6%.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2020. Bars represent recessions.

### US Jobless Claims

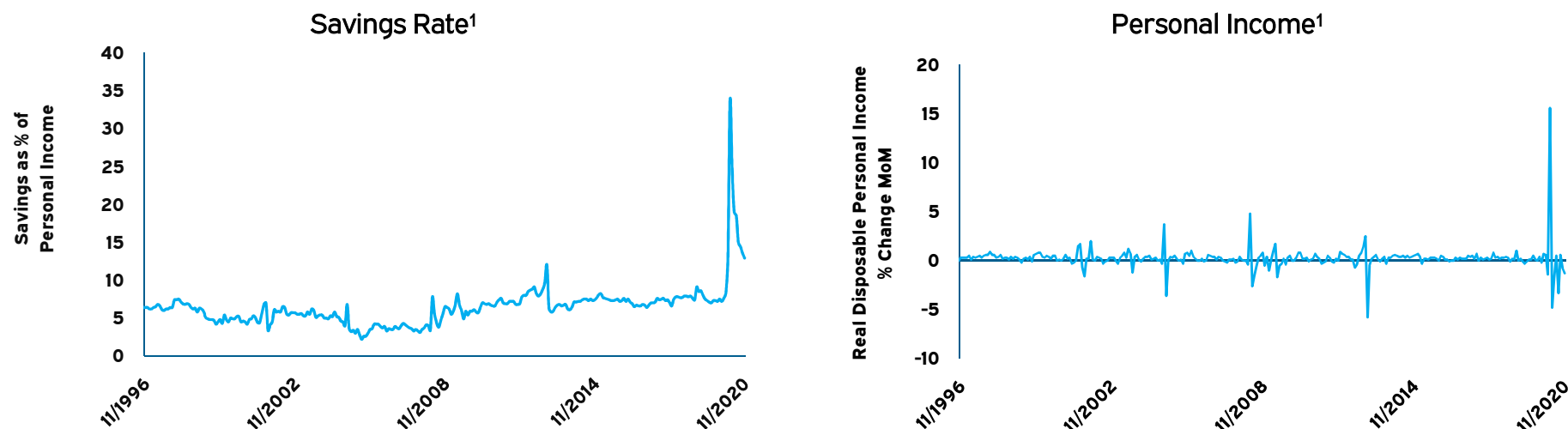


- Over the last 41 weeks, roughly 73 million people filed for initial unemployment. This level is well over three times the 22 million jobs added since the GFC, highlighting the unprecedented impact of the virus.
- Despite the continued decline in initial jobless claims to below one million per week, levels remain many multiples above the worst reading during the Global Financial Crisis.
- Continuing jobless claims (i.e., those currently receiving benefits) have also declined from record levels, but remain elevated at 5.1 million.

<sup>1</sup> Source: Bloomberg. First reading of seasonally adjusted initial jobless claims. Data is as of December 25, 2020.

<sup>2</sup> Source: Bloomberg. US Continuing Jobless Claims SA. Data is as of December 25, 2020.

### Savings and Spending

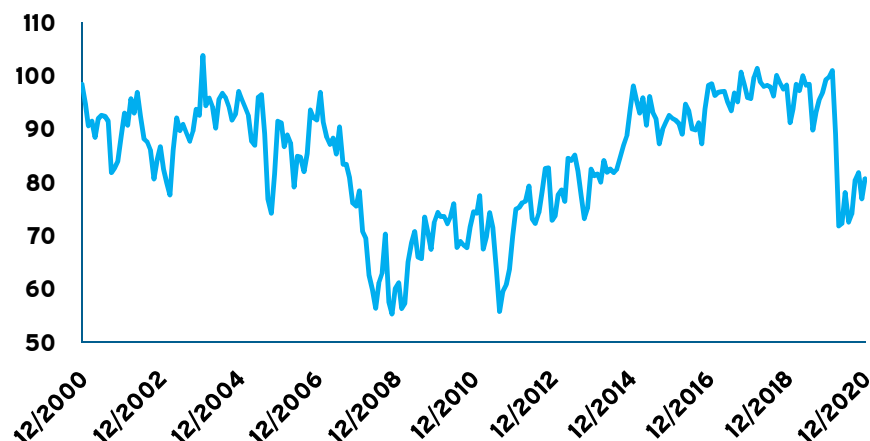


- Fiscal programs including stimulus checks, enhanced unemployment benefits, and loans to small businesses through the Paycheck Protection Program (PPP) have largely supported income levels through the shutdown. The growth in income declined dramatically as fiscal support waned.
- Despite the income support, the savings rate increased due to the decline in consumer spending, driven by the initial lock-down of the economy, and by uncertainties related to the future of the job market and stimulus programs.
- More recently, the savings rate declined from its peak as spending increased with the economy slowly reopening. Going forward, questions remain about how consumers will make use of the recently announced stimulus programs.

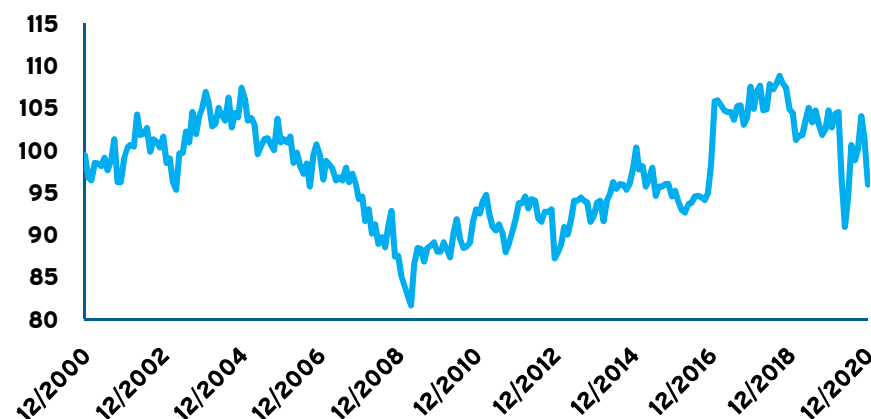
<sup>1</sup> Source: Bloomberg. Latest data is as of November 2020.

### Sentiment Indicators

University of Michigan Consumer Sentiment<sup>1</sup>



Small Business Confidence<sup>2</sup>









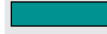
- The attitudes of businesses and consumers are useful indicators of future economic activity.
- Consumer spending comprises close to 70% of US GDP, making the attitudes of consumers an important driver of economic growth. Additionally, small businesses generate around half of US GDP, making sentiment in that segment important.
- Sentiment indicators have shown improvements as the economy re-opens, but increasing cases and greater restrictions could weigh on short-term sentiment.

<sup>1</sup> Source: Bloomberg. University of Michigan Consumer Sentiment Index. Data is as of December 31, 2020.

<sup>2</sup> Source: Bloomberg. NFIB Small Business Optimism Index. Latest data is as of December 31, 2020.



**Performance Update**  
**As of December 31, 2020**

Allocation vs. Targets						
		Current Balance	Current Allocation	Policy	Policy Range	Within IPS Range?
	US Equity	\$5,480,507	27.9%	26.0%	21.0% - 31.0%	Yes
	Developed Market Equity	\$4,718,932	24.0%	23.0%	18.0% - 28.0%	Yes
	Emerging Market Equity	\$3,060,773	15.6%	14.0%	9.0% - 19.0%	Yes
	Investment Grade Bonds	\$2,255,779	11.5%	13.0%	10.0% - 16.0%	Yes
	Short-Term Investment Grade Bonds	\$636,811	3.2%	4.0%	1.0% - 7.0%	Yes
	TIPS	\$1,863,483	9.5%	11.0%	8.0% - 14.0%	Yes
	High Yield Bonds	\$1,646,217	8.4%	9.0%	6.0% - 12.0%	Yes
Total		\$19,662,503	100.0%	100.0%		

### Asset Class Performance Summary

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Trust</b>	<b>19,662,503</b>	<b>100.0</b>	<b>3.7</b>	<b>11.0</b>	<b>13.3</b>	<b>7.9</b>	<b>9.3</b>	<b>7.3</b>	<b>7.8</b>	<b>Dec-10</b>
<i>Custom Benchmark</i>			3.5	10.9	13.7	8.1	9.8	7.4	7.9	Dec-10
<i>Consumer Price Index</i>			0.1	0.1	1.4	1.9	1.9	1.7	1.7	Dec-10
<b>Domestic Equity Assets</b>	<b>5,480,507</b>	<b>27.9</b>	<b>4.5</b>	<b>14.7</b>	<b>21.0</b>	<b>14.5</b>	<b>15.4</b>	<b>13.7</b>	<b>14.4</b>	<b>Dec-10</b>
<i>Spliced Total Stock Market Index</i>			4.5	14.7	21.0	14.5	15.4	13.8	14.4	Dec-10
<b>International Developed Markets Equity Assets</b>	<b>4,718,932</b>	<b>24.0</b>	<b>5.8</b>	<b>16.9</b>	<b>10.3</b>	<b>4.8</b>	<b>8.3</b>	<b>5.1</b>	<b>5.6</b>	<b>Dec-10</b>
<i>Spliced Developed (ex. U.S.) Index</i>			5.4	17.1	10.0	4.7	8.2	5.9	6.7	Dec-10
<b>International Emerging Markets Equity Assets</b>	<b>3,060,773</b>	<b>15.6</b>	<b>5.9</b>	<b>16.9</b>	<b>15.2</b>	<b>5.8</b>	<b>11.7</b>	<b>--</b>	<b>6.2</b>	<b>Aug-13</b>
<i>Spliced Emerging Markets Index</i>			6.0	17.5	15.5	5.8	11.7	3.2	6.2	Aug-13
<b>Investment Grade Bonds Assets</b>	<b>2,255,779</b>	<b>11.5</b>	<b>0.2</b>	<b>0.7</b>	<b>7.7</b>	<b>5.4</b>	<b>4.5</b>	<b>3.7</b>	<b>3.6</b>	<b>Dec-10</b>
<i>BBgBarc US Aggregate TR</i>			0.1	0.7	7.5	5.3	4.4	3.8	3.7	Dec-10
<b>TIPS Assets</b>	<b>1,863,483</b>	<b>9.5</b>	<b>1.1</b>	<b>1.6</b>	<b>11.0</b>	<b>5.8</b>	<b>5.0</b>	<b>3.7</b>	<b>3.5</b>	<b>Dec-10</b>
<i>BBgBarc US TIPS TR</i>			1.1	1.6	11.0	5.9	5.1	3.8	3.6	Dec-10
<b>High Yield Bond Assets</b>	<b>1,646,217</b>	<b>8.4</b>	<b>1.2</b>	<b>4.6</b>	<b>5.4</b>	<b>5.9</b>	<b>7.2</b>	<b>6.5</b>	<b>6.6</b>	<b>Dec-10</b>
<i>Vanguard High Yield Custom Benchmark</i>			1.5	5.4	7.5	6.6	7.9	6.6	6.6	Dec-10
<b>Short-Term Bond Assets</b>	<b>636,811</b>	<b>3.2</b>	<b>0.1</b>	<b>0.3</b>	<b>4.7</b>	<b>3.6</b>	<b>2.7</b>	<b>--</b>	<b>2.2</b>	<b>Aug-13</b>
<i>BBgBarc US Govt/Credit 1-5 Yr. TR</i>			0.2	0.3	4.7	3.7	2.8	2.2	2.2	Aug-13

Trailing Net Performance											
	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Trust</b>	<b>19,662,503</b>	<b>100.0</b>	<b>--</b>	<b>3.7</b>	<b>11.0</b>	<b>13.3</b>	<b>7.9</b>	<b>9.3</b>	<b>7.3</b>	<b>7.8</b>	<b>Dec-10</b>
<i>Custom Benchmark</i>				3.5	10.9	13.7	8.1	9.8	7.4	7.9	Dec-10
<b>Domestic Equity Assets</b>	<b>5,480,507</b>	<b>27.9</b>	<b>27.9</b>	<b>4.5</b>	<b>14.7</b>	<b>21.0</b>	<b>14.5</b>	<b>15.4</b>	<b>13.7</b>	<b>14.4</b>	<b>Dec-10</b>
<i>Spliced Total Stock Market Index</i>				4.5	14.7	21.0	14.5	15.4	13.8	14.4	Dec-10
Vanguard Total Stock Market	5,480,507	27.9	100.0	4.5	14.7	21.0	14.5	15.4	13.7	14.4	Dec-10
<i>Spliced Total Stock Market Index</i>				4.5	14.7	21.0	14.5	15.4	13.8	14.4	Dec-10
<b>International Developed Markets Equity Assets</b>	<b>4,718,932</b>	<b>24.0</b>	<b>24.0</b>	<b>5.8</b>	<b>16.9</b>	<b>10.3</b>	<b>4.8</b>	<b>8.3</b>	<b>5.1</b>	<b>5.6</b>	<b>Dec-10</b>
<i>Spliced Developed (ex. U.S.) Index</i>				5.4	17.1	10.0	4.7	8.2	5.9	6.7	Dec-10
Vanguard Developed Markets Index	4,718,932	24.0	100.0	5.8	16.9	10.3	4.8	8.3	--	6.3	Aug-13
<i>Spliced Developed (ex. U.S.) Index</i>				5.4	17.1	10.0	4.7	8.2	5.9	6.3	Aug-13
<b>International Emerging Markets Equity Assets</b>	<b>3,060,773</b>	<b>15.6</b>	<b>15.6</b>	<b>5.9</b>	<b>16.9</b>	<b>15.2</b>	<b>5.8</b>	<b>11.7</b>	<b>--</b>	<b>6.2</b>	<b>Aug-13</b>
<i>Spliced Emerging Markets Index</i>				6.0	17.5	15.5	5.8	11.7	3.2	6.2	Aug-13
Vanguard Emerging Markets	3,060,773	15.6	100.0	5.9	16.9	15.2	5.8	11.7	--	6.2	Aug-13
<i>Spliced Emerging Markets Index</i>				6.0	17.5	15.5	5.8	11.7	3.2	6.2	Aug-13
<b>Investment Grade Bonds Assets</b>	<b>2,255,779</b>	<b>11.5</b>	<b>11.5</b>	<b>0.2</b>	<b>0.7</b>	<b>7.7</b>	<b>5.4</b>	<b>4.5</b>	<b>3.7</b>	<b>3.6</b>	<b>Dec-10</b>
<i>BBgBarc US Aggregate TR</i>				0.1	0.7	7.5	5.3	4.4	3.8	3.7	Dec-10
Vanguard Total Bond Market Index	2,255,779	11.5	100.0	0.2	0.7	7.7	5.4	4.5	3.7	3.6	Dec-10
<i>BBgBarc US Aggregate TR</i>				0.1	0.7	7.5	5.3	4.4	3.8	3.7	Dec-10

## Total Trust | As of December 31, 2020

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>TIPS Assets</b>	<b>1,863,483</b>	<b>9.5</b>	<b>9.5</b>	<b>1.1</b>	<b>1.6</b>	<b>11.0</b>	<b>5.8</b>	<b>5.0</b>	<b>3.7</b>	<b>3.5</b>	<b>Dec-10</b>
BBgBarc US TIPS TR				1.1	1.6	11.0	5.9	5.1	3.8	3.6	Dec-10
Vanguard Inflation-Protected Securities	1,863,483	9.5	100.0	1.1	1.6	11.0	5.8	5.0	3.7	3.5	Dec-10
BBgBarc US TIPS TR				1.1	1.6	11.0	5.9	5.1	3.8	3.6	Dec-10
<b>High Yield Bond Assets</b>	<b>1,646,217</b>	<b>8.4</b>	<b>8.4</b>	<b>1.2</b>	<b>4.6</b>	<b>5.4</b>	<b>5.9</b>	<b>7.2</b>	<b>6.5</b>	<b>6.6</b>	<b>Dec-10</b>
Vanguard High Yield Custom Benchmark				1.5	5.4	7.5	6.6	7.9	6.6	6.6	Dec-10
Vanguard High Yield Corporate	1,646,217	8.4	100.0	1.2	4.6	5.4	5.9	7.2	6.5	6.6	Dec-10
Vanguard High Yield Custom Benchmark				1.5	5.4	7.5	6.6	7.9	6.6	6.6	Dec-10
<b>Short-Term Bond Assets</b>	<b>636,811</b>	<b>3.2</b>	<b>3.2</b>	<b>0.1</b>	<b>0.3</b>	<b>4.7</b>	<b>3.6</b>	<b>2.7</b>	<b>--</b>	<b>2.2</b>	<b>Aug-13</b>
BBgBarc US Govt/Credit 1-5 Yr. TR				0.2	0.3	4.7	3.7	2.8	2.2	2.2	Aug-13
Vanguard Short-Term Bond Index	636,811	3.2	100.0	0.1	0.3	4.7	3.6	2.7	--	2.2	Aug-13
BBgBarc US Govt/Credit 1-5 Yr. TR				0.2	0.3	4.7	3.7	2.8	2.2	2.2	Aug-13

Calendar Year Performance										
	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)
<b>Total Trust</b>	<b>13.3</b>	<b>19.2</b>	<b>-6.9</b>	<b>16.2</b>	<b>6.9</b>	<b>-2.3</b>	<b>3.8</b>	<b>13.4</b>	<b>13.6</b>	<b>-0.5</b>
<i>Custom Benchmark</i>	<i>13.7</i>	<i>19.6</i>	<i>-7.0</i>	<i>16.9</i>	<i>8.1</i>	<i>-3.4</i>	<i>3.5</i>	<i>13.9</i>	<i>14.0</i>	<i>-1.4</i>
<b>Domestic Equity Assets</b>	<b>21.0</b>	<b>30.8</b>	<b>-5.2</b>	<b>21.2</b>	<b>12.7</b>	<b>0.4</b>	<b>12.6</b>	<b>33.5</b>	<b>16.3</b>	<b>1.0</b>
<i>Spliced Total Stock Market Index</i>	<i>21.0</i>	<i>30.8</i>	<i>-5.2</i>	<i>21.2</i>	<i>12.7</i>	<i>0.4</i>	<i>12.6</i>	<i>33.5</i>	<i>16.4</i>	<i>1.1</i>
Vanguard Total Stock Market	21.0	30.8	-5.2	21.2	12.7	0.4	12.6	33.5	16.3	1.0
<i>Spliced Total Stock Market Index</i>	<i>21.0</i>	<i>30.8</i>	<i>-5.2</i>	<i>21.2</i>	<i>12.7</i>	<i>0.4</i>	<i>12.6</i>	<i>33.5</i>	<i>16.4</i>	<i>1.1</i>
<b>International Developed Markets Equity Assets</b>	<b>10.3</b>	<b>22.0</b>	<b>-14.5</b>	<b>26.4</b>	<b>2.5</b>	<b>-0.2</b>	<b>-5.6</b>	<b>17.1</b>	<b>17.5</b>	<b>-14.8</b>
<i>Spliced Developed (ex. U.S.) Index</i>	<i>10.0</i>	<i>22.3</i>	<i>-14.8</i>	<i>26.3</i>	<i>2.3</i>	<i>-0.3</i>	<i>-4.8</i>	<i>22.7</i>	<i>17.3</i>	<i>-12.1</i>
Vanguard Developed Markets Index	10.3	22.0	-14.5	26.4	2.5	-0.2	-5.6	--	--	--
<i>Spliced Developed (ex. U.S.) Index</i>	<i>10.0</i>	<i>22.3</i>	<i>-14.8</i>	<i>26.3</i>	<i>2.3</i>	<i>-0.3</i>	<i>-4.8</i>	<i>22.7</i>	<i>17.3</i>	<i>-12.1</i>
<b>International Emerging Markets Equity Assets</b>	<b>15.2</b>	<b>20.3</b>	<b>-14.6</b>	<b>31.4</b>	<b>11.7</b>	<b>-15.3</b>	<b>0.6</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Spliced Emerging Markets Index</i>	<i>15.5</i>	<i>20.4</i>	<i>-14.8</i>	<i>31.0</i>	<i>11.8</i>	<i>-15.4</i>	<i>1.2</i>	<i>-4.3</i>	<i>18.2</i>	<i>-18.4</i>
Vanguard Emerging Markets	15.2	20.3	-14.6	31.4	11.7	-15.3	0.6	--	--	--
<i>Spliced Emerging Markets Index</i>	<i>15.5</i>	<i>20.4</i>	<i>-14.8</i>	<i>31.0</i>	<i>11.8</i>	<i>-15.4</i>	<i>1.2</i>	<i>-4.3</i>	<i>18.2</i>	<i>-18.4</i>
<b>Investment Grade Bonds Assets</b>	<b>7.7</b>	<b>8.7</b>	<b>0.0</b>	<b>3.6</b>	<b>2.5</b>	<b>0.3</b>	<b>5.8</b>	<b>-2.3</b>	<b>4.0</b>	<b>7.6</b>
<i>BBgBarc US Aggregate TR</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>	<i>3.5</i>	<i>2.6</i>	<i>0.5</i>	<i>6.0</i>	<i>-2.0</i>	<i>4.2</i>	<i>7.8</i>
Vanguard Total Bond Market Index	7.7	8.7	0.0	3.6	2.5	0.3	5.8	-2.3	4.0	7.6
<i>BBgBarc US Aggregate TR</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>	<i>3.5</i>	<i>2.6</i>	<i>0.5</i>	<i>6.0</i>	<i>-2.0</i>	<i>4.2</i>	<i>7.8</i>

	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)
<b>TIPS Assets</b>	<b>11.0</b>	<b>8.2</b>	<b>-1.4</b>	<b>2.9</b>	<b>4.6</b>	<b>-1.7</b>	<b>4.0</b>	<b>-8.9</b>	<b>6.9</b>	<b>13.3</b>
BBgBarc US TIPS TR	11.0	8.4	-1.3	3.0	4.7	-1.4	3.6	-8.6	7.0	13.6
Vanguard Inflation-Protected Securities	11.0	8.2	-1.4	2.9	4.6	-1.7	4.0	-8.9	6.9	13.3
BBgBarc US TIPS TR	11.0	8.4	-1.3	3.0	4.7	-1.4	3.6	-8.6	7.0	13.6
<b>High Yield Bond Assets</b>	<b>5.4</b>	<b>15.9</b>	<b>-2.9</b>	<b>7.1</b>	<b>11.3</b>	<b>-1.3</b>	<b>4.7</b>	<b>4.6</b>	<b>14.5</b>	<b>7.2</b>
Vanguard High Yield Custom Benchmark	7.5	14.6	-1.7	6.6	13.4	-2.5	3.3	5.9	14.2	5.9
Vanguard High Yield Corporate	5.4	15.9	-2.9	7.1	11.3	-1.3	4.7	4.6	14.5	7.2
Vanguard High Yield Custom Benchmark	7.5	14.6	-1.7	6.6	13.4	-2.5	3.3	5.9	14.2	5.9
<b>Short-Term Bond Assets</b>	<b>4.7</b>	<b>4.9</b>	<b>1.3</b>	<b>1.2</b>	<b>1.5</b>	<b>0.9</b>	<b>1.2</b>	<b>--</b>	<b>--</b>	<b>--</b>
BBgBarc US Govt/Credit 1-5 Yr. TR	4.7	5.0	1.4	1.3	1.6	1.0	1.4	0.3	2.2	3.1
Vanguard Short-Term Bond Index	4.7	4.9	1.3	1.2	1.5	0.9	1.2	--	--	--
BBgBarc US Govt/Credit 1-5 Yr. TR	4.7	5.0	1.4	1.3	1.6	1.0	1.4	0.3	2.2	3.1

Statistics Summary						
5 Years Ending December 31, 2020						
	Anlzd Return	Anlzd Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Total Trust	9.3%	10.2%	-0.7	1.0	0.8	0.8%
Custom Benchmark	9.8%	10.4%	--	1.0	0.8	0.0%
Domestic Equity Assets	15.4%	16.0%	-0.5	1.0	0.9	0.0%
Spliced Total Stock Market Index	15.4%	16.0%	--	1.0	0.9	0.0%
Vanguard Total Stock Market	15.4%	16.0%	-0.5	1.0	0.9	0.0%
Spliced Total Stock Market Index	15.4%	16.0%	--	1.0	0.9	0.0%
International Equity Assets	9.4%	15.6%	-0.6	1.0	0.5	4.6%
MSCI ACWI	12.3%	15.1%	--	1.0	0.7	0.0%
International Developed Markets Equity Assets	8.3%	15.7%	0.1	1.0	0.5	1.8%
Spliced Developed (ex. U.S.) Index	8.2%	15.8%	--	1.0	0.4	0.0%
Vanguard Developed Markets Index	8.3%	15.7%	0.1	1.0	0.5	1.8%
Spliced Developed (ex. U.S.) Index	8.2%	15.8%	--	1.0	0.4	0.0%
International Emerging Markets Equity Assets	11.7%	17.3%	0.0	1.0	0.6	1.7%
Spliced Emerging Markets Index	11.7%	17.2%	--	1.0	0.6	0.0%
Vanguard Emerging Markets	11.7%	17.3%	0.0	1.0	0.6	1.7%
Spliced Emerging Markets Index	11.7%	17.2%	--	1.0	0.6	0.0%



	Anlzd Return	Anlzd Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Fixed Income Assts	5.1%	3.2%	0.3	0.8	1.2	1.9%
BBgBarc US Aggregate TR	4.4%	3.2%	--	1.0	1.0	0.0%
Investment Grade Bonds Assets	4.5%	3.3%	0.1	1.0	1.0	0.3%
BBgBarc US Aggregate TR	4.4%	3.2%	--	1.0	1.0	0.0%
Vanguard Total Bond Market Index	4.5%	3.3%	0.1	1.0	1.0	0.3%
BBgBarc US Aggregate TR	4.4%	3.2%	--	1.0	1.0	0.0%
TIPS Assets	5.0%	3.5%	-0.3	1.0	1.1	0.5%
BBgBarc US TIPS TR	5.1%	3.6%	--	1.0	1.1	0.0%
Vanguard Inflation-Protected Securities	5.0%	3.5%	-0.3	1.0	1.1	0.5%
BBgBarc US TIPS TR	5.1%	3.6%	--	1.0	1.1	0.0%
High Yield Bond Assets	7.2%	6.8%	-0.8	1.0	0.9	1.0%
Vanguard High Yield Custom Benchmark	7.9%	6.8%	--	1.0	1.0	0.0%
Vanguard High Yield Corporate	7.2%	6.8%	-0.8	1.0	0.9	1.0%
Vanguard High Yield Custom Benchmark	7.9%	6.8%	--	1.0	1.0	0.0%
Short-Term Bond Assets	2.7%	1.4%	-0.4	1.0	1.1	0.2%
BBgBarc US Govt/Credit 1-5 Yr. TR	2.8%	1.5%	--	1.0	1.1	0.0%
Vanguard Short-Term Bond Index	2.7%	1.4%	-0.4	1.0	1.1	0.2%
BBgBarc US Govt/Credit 1-5 Yr. TR	2.8%	1.5%	--	1.0	1.1	0.0%

Annual Investment Expense Analysis As Of December 31, 2020			
Name	Expense Ratio	Market Value	Estimated Expense
<b>Domestic Equity Assets</b>		<b>\$5,480,507</b>	
Vanguard Total Stock Market	0.04%	\$5,480,507	\$2,192
<b>International Developed Markets Equity Assets</b>		<b>\$4,718,932</b>	
Vanguard Developed Markets Index	0.07%	\$4,718,932	\$3,303
<b>International Emerging Markets Equity Assets</b>		<b>\$3,060,773</b>	
Vanguard Emerging Markets	0.14%	\$3,060,773	\$4,285
<b>Investment Grade Bonds Assets</b>		<b>\$2,255,779</b>	
Vanguard Total Bond Market Index	0.04%	\$2,255,779	\$790
<b>TIPS Assets</b>		<b>\$1,863,483</b>	
Vanguard Inflation-Protected Securities	0.10%	\$1,863,483	\$1,863
<b>High Yield Bond Assets</b>		<b>\$1,646,217</b>	
Vanguard High Yield Corporate	0.13%	\$1,646,217	\$2,140
<b>Short-Term Bond Assets</b>		<b>\$636,811</b>	
Vanguard Short-Term Bond Index	0.07%	\$636,811	\$446
<b>Total</b>	<b>0.08%</b>	<b>\$19,662,503</b>	<b>\$15,019</b>

## Current Issues

## Asset Allocation Update

## Introduction

- The Board last reviewed the OPEB Trust's asset allocation policy in February 2020.
  - The Board ultimately made no changes to the Trust's asset allocation.
- The Trust's asset allocation will influence the investment results more than any other Board action over the next twenty years. Therefore, it is essential to review it periodically.

### Change in Expected Returns Asset Allocation Policy Comparison<sup>1</sup>

	Current Policy (2020 inputs) (%)	Current Policy (Updated 2020 inputs) (%)
Total Equity	63	63
U.S. Equity	26	26
International Developed Equity	23	23
Emerging Market Equity	14	14
Total Fixed Income	37	37
Short-Term Investment Grade Bonds	4	4
Investment Grade Bonds	13	13
TIPS	11	11
High Yield	9	9
Expected Return	6.9	6.5
Standard Deviation	12.5	12.5
Probability of Achieving 7.0% over 20 Years	48	42

<sup>1</sup> Expected return and standard deviation are based upon Meketa Investment Group's 2020 and Interim 2020 Annual Asset Studies. Throughout this document, returns for periods longer than one year are annualized.

## Asset Allocation Update

- The Trust's target allocation has a long-term expected return of 6.5% over the next 20 years. The 20 year expected return is down from 6.9% a year ago, mainly due to lower yields and higher prices.
- Given the Trust's current target allocation, the probability of meeting particular return targets over 20 years is as follows:

Assumed Rate of Return (%)	Probability Of Achieving Assumed Rate of Return – Current Policy (2020) (%)	Probability Of Achieving Assumed Rate of Return – Current Policy (Updated 2020) (%)
6.0	62.2	56.7
6.5	55.1	49.5
7.0	48.0	42.4
7.5	40.9	35.5
8.0	34.1	29.2

### 20 Year Asset Class Expected Returns

	2020 (%)	Updated 2020 (%)
Short-term Investment Grade Bonds	2.6	1.7
Investment Grade Bonds	3.0	2.1
TIPS	2.9	2.1
High Yield Bonds	5.2	4.9
US Equity	7.4	7.2
Developed Market Equity (non-US)	7.9	7.8
Emerging Market Equity	9.1	8.8

## Appendices



## Disclaimer, Glossary, and Notes

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SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM," "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

**Credit Risk:** Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

**Duration:** Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

**Information Ratio:** This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

**Jensen's Alpha:** A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk.  $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} \times (\text{market return} - \text{Risk Free Rate})]$ .

**Market Capitalization:** For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

**Market Weighted:** Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

**Maturity:** The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

**Prepayment Risk:** The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

**Price-Book Value (P/B) Ratio:** The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

**Price-Earnings (P/E) Ratio:** A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

**Quality Rating:** The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

**Sharpe Ratio:** A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

**STIF Account:** Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

**Standard Deviation:** A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

**Style:** The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

**Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

**Yield to Maturity:** The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

**Yield to Worst:** The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

**NCREIF Property Index (NPI):** Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

**NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE):** Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.

The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.